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LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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CANADIAN MINING NEWS DEPARTMENT ON PAGE 24

The Nation's Business

Taxation Problem Now Gets Down to General Public

British Demands Killed Parley on Textile

Railways Alone Under Rate Control

Public Awakening to Taxation Burden

IN AN address this week, Col. W. L. McGregor, of Walkerville, president of the Canadian Chamber of Commerce, stated that a coast to coast tour of Canada revealed to him that all classes of people in this country are concerned with and discussing two primary subjects: first, the prospects for the Imperial Economic Conference and, secondly, the problem of high taxation.

There is gradually coming a profound awakening of public opinion as to the serious burdens imposed upon every class of Canadian citizens by the spending, through governmental channels, of such a high proportion of the incomes of the people. At their annual meeting this week, the mortgage companies, trust companies and life insurance companies devoted a very large part of their programme to making public the manner in which excessive taxation has impaired the security of investors, particularly of investors in municipal bonds and in mortgage contracts.

Municipal securities have been jeopardized by the high percentage of tax arrears resulting from the levying of burdensome rates. People cannot pay the taxes being levied upon them and in turn the municipalities are finding it difficult to pay the interest on their debentures.

* * *

LAND mortgages have been weakened by onerous taxation. This is particularly true, as was pointed out by speakers at the Dominion Mortgage and Investments Association meeting and the Land Mortgage Companies Association of Ontario meeting, because of the continued decline in commodity prices that has established a new level of values, that has made it more difficult for the individual or the company to earn the income formerly enjoyed; and that has made a general writing down of costs necessary. But while the process of deflation goes on in every other direction, governmental spending continues on a pre-depression scale and taxes rise. It is next to impossible for many average borrowers to meet their expenses, pay taxes and have anything at all left over to pay interest or principal to their creditors.

The trust and loan men have campaigned for some years against the rising burden of taxation and their leaders have frequently warned of the inevitable result. Now they are planning to carry on more aggressively educational work among the public.

* * *

ALONG similar lines, the Canadian Chamber of Commerce is now planning to organize a national committee representative of all business interests to educate and arouse the general public to the absolute need for substantial curtailment in governmental expenses and taxes and to make analyses of individual services rendered by governments, to the end of letting the public know where its money is spent and how savings can be effected.

A great deal of useful work could be done by such a committee, particularly in changing a somewhat indefinite public protest against high taxation into an informed public knowledge of why taxes are so high, but the Chamber will have to go much further than passing resolutions if it is to make its campaign effective. Like so many national bodies, where many different groups are represented and where sectional interests must be considered, the National Chamber is apt at times to be thoroughly platitudinous and innocuous in its expressions of opinion. But in the matter of reducing governmental costs it has seized a national problem and it should have no difficulty in winning support from every group of citizens in every part of Canada.

* * *

Textile Parleys Get Nowhere

THE conference of the cotton manufacturers of United Kingdom and of Canada has broken up in complete failure. It is regrettable that so soon before the Imperial Economic Conference the textile mills of Canada and of Great Britain should fail to come to an understanding upon the important question of the respective spheres in the Canadian market of the two groups of textile pro-

(Continued on page 2, col. 3)

STOCK CONTROL OF SIMPSON'S IS UNCHANGED

Street Rumors Authoritatively Denied—Financial Position Strong

SALES VOLUME DOWN

Inventories in Best Current Position For Years—Montreal Results Are Encouraging

Street rumors as to changes in the control, directorate and management of Simpson's Ltd. are without foundation, The Financial Post is authoritatively informed. The company is experiencing, just as every other large merchandising institution is, a lower volume of business than is ordinarily the case in the first six months of the year, but far from it being crippled financially as some rumors go, the company has never in its history paid its bills more promptly, or taken quicker advantage of every opportunity to get discounts by payments in cash, it is stated.

At the annual meeting in March last, C. L. Burton, president of the company, told the shareholders that reduction in the spending power of the consumer was being generally registered in lower volume of business and that prospects were for heavier losses due to prohibitive tariff enactments, the fullest effect of which would be felt in 1932.

Business Sags

The expectation of Mr. Burton as to lower volume and as to losses of business due to heavy duties has been realized. The company has felt it to be wise under the circumstances to effect greater economies in the conduct of its business and to pass the preference dividend as well as those on the class A stock. The cash thus conserved is available for conduct of the company's business.

The company's executives have been endeavoring very energetically to combat the shutting off of their sources of supply in Europe and the United States through high tariffs, by supplying ideas and designs to Canadian factories in the hope of getting products to meet such demands of customers as Canadian mills are not yet in a position to supply. They have been partially successful in this, but the great diversity of styles and designs which they were able to show in other years when inventories supplemented about 85 per cent of Canadian made goods by 15 per cent of imported, is impossible to achieve over the present tariff and it is reported that the full requirements of the buying public cannot be filled under present conditions except at prohibitive costs.

Awaits Imperial Conference

A bright spot in the Simpson picture is the record of the Montreal store which has been giving a very good account of itself in 1932. To date the Montreal store's sales have been ahead of those in 1931 for the same period.

The company is also favorably placed in that its inventories have never been in such a good current position. In other words the stocks of the company have been as far as possible limited, though made as diverse as possible, to current demand. The best part of the company's year is generally in the last three months. Between now and then the Imperial Conference will occur and the conclusions come to there will have direct bearing on company policies.

Fine Paper Makers Start Cutting Prices

From Our Own Correspondent

MONTREAL.—Competition among the fine paper makers has developed into a fair sized price war. It is stated that Howard Smith Paper Mills started the ball rolling by cutting prices on their regular lines of bond paper. This change was met by the E. B. Eddy Co. It is not known whether or not Rolland Paper Co. has become involved in this fight for business, but presumably it will meet the prices of its competitors.

The lowering of prices is regarded as accomplishing no particular good in the way of increasing demand for paper. It simply means that any increase in business reported by one operator will be at the expense of the other.

Earnings Are Low

Conditions in the fine paper making industry have been unsatisfactory for some time. Earnings have dropped to a point where it has been necessary, in the case of Howard Smith, to pass its preferred dividend. Both Eddy's and Rolland have not a large capital to carry and though sales over the past year or so have been on a relatively small basis, yet they have managed to maintain regular disbursements on their capital stock.

If the present price cutting goes unchecked it is to be expected that the financial statements for 1932 of all three companies will make further poor reading for the shareholders.

Imperial Conference Gets First Setback As Textile Deal Fails

British Group Come With Concrete Proposals Which Were Unacceptable to Canadian Interests

EXAMINE POSSIBLE TRADE DIVERSION

Canadians Suggest Diversion of Yarn and Cloth Trade from States to United Kingdom But British Delegates Unimpressed — Leave Matter to Governments at Ottawa Meeting

From Our Own Correspondent

MONTREAL.—Negotiations between the British and Canadian cotton textile interests with a view to working out some pre-conference scheme for the increase of trade between the two countries, have ended in a deadlock. Though the statement issued by the Canadian group states that the two delegations were in complete agreement on the broad statements of Empire economic policy presented by the British delegates, it is only too apparent from the latter's official statement that while much ground was covered in the discussions and many hours given to talk, the net result was nil; in fact, the value of the whole conference is summed up in the concluding statement of the British delegation—"It therefore remains for the Canadian Government to determine what offers can be made to the British Government at the Ottawa Conference in regard to cotton goods." In other words, the mission of the British delegation was unsuccessful.

The British group came to this country with two specific suggestions: first, categories of selected cotton goods with free or low duty entry for goods of United Kingdom origin and entry at substantially higher rates for same foreign goods; and, secondly, categories comprising all remaining items, on which the United Kingdom producers would have a substantially lower tariff charge than foreign producers.

(Continued on page 8, col. 3)

Trust Officer Details Rights of Bondholders

Important Thing Is For Company in Financial Difficulties to be Continued as Going Concern — Bondholders Entitled to Fullest Information

The very useful and constructive step has been taken by one of Canada's leading trust companies of issuing a comprehensive statement setting out the rights and privileges of holders of industrial bonds.

This statement has been issued as a result of the articles that appeared in The Financial Post of the last two issues, in which criticism was levelled against recent settlements of industrial bond defaults,— settlements arranged by presenting to somewhat disorganized groups of bondholders plans that had been worked out chiefly by the equity owners or managers of the properties. Although in a number of cases these settlements definitely impaired the security or the rate of return of the bondholders, they offered little and, in most cases, no inducement such as a share in potential future profits. Usually, too, they have been accompanied by no independent recommendations, made after careful investigation and analysis of the position of the company or of the plan itself by someone qualified to make such investigation on behalf of the bondholders as distinct from the owners or managers of the companies.

Widespread Interest Is Aroused

Various examples of such settlements have been cited, from the extreme case, amounting almost to a "racket" where the bondholders have been unceremoniously handed a cut in their rate of return while the common stockholders remained untouched, to the much more favorable arrangements where the common stockholders retained sufficient interest in the company to give them an incentive for making it a success but where the bondholders, as compensation for a general writing down of their holdings, were given virtual control

(Continued on page 2, col. 1)

Price Brothers Plan Unfair to Bondholders

They Give Up Part of Their Security and Possibly Part of Income and Get No Concessions — Are Entitled to Large Share of Stock of Company

By "JUNIUS"

The name of Price has been associated with the timber business in the mind of the Canadian public since 1817. In February, 1923 and May, 1925, the present bond issue of Price Brothers & Co. was offered to the public. This company is what might be called the lineal descendant of the pioneer in the primitive timber business of over a century ago, a descendant which has been tremendously successful and has become a leader in the paper and lumber business, owning great natural assets in timber limits, power rights and plants. Is it any wonder that loyal Canadians looking for sound investment in industrial bonds should put their money into those of this company with every confidence that their judgment and the advice they had been given was sound? They relied not only on financial statements they read and advice of brokers they received but also on the business acumen and integrity which had been responsible for the success of the venture.

Working Capital Almost Wiped Out

Today we have this company in the position of being unable to meet interest and sinking fund payments on its bonds, or dividends on its preferred stock. Its working capital has shrunk from $4,575,683 at the close of the fiscal year 1931, to $93,256 at the close of the fiscal year 1932. It has outstanding accounts of $1,200,000. It is virtually in the position that it cannot carry on. A scheme of reorganization has been submitted. The pertinent questions for the bondholder are, should he approve the scheme, and has the administration justified the trust reposed in it?

A complete analysis of the company's finances and of the proposed scheme is beyond the scope of this article. The scheme has been thoroughly covered in The Financial Post. Certain features must, however, be referred to in order to get a proper grasp of the proposition.

What we may term the capital obligations of the company are as follows: It has outstanding $11,000,000. 6 per cent first mortgage bonds, Series "A"; $6,292,000. 6½ per cent cumulative stock of a par value of $100 per share, preferred as to assets and dividends (authorized $10,000,000) and $42,683,200 common stock of a par value of $100 per share (authorized $50,000,000).

The voting rights are in this common stock. In the event of suspension of two quarterly dividends on the preferred stock the holders acquire voting rights, but in total only 1 to 7 approximately with reference to the common. In fact Lord Beaverbrook is quoted as saying that the present control is "the Price family and those who are concerned with the Price family." The terms of the bonds include provision for a sinking fund and a right to declare the mortgage security in default if the liquid assets are not maintained at 125 per

(Continued on page 2, col. 3)

RECENT SALES OF CANADA DRY BOOST PROFITS

Last Six Months Results Now Expected to Cover Annual Dividend

NEW PRODUCT HELPS

Ginger Ale Syrup Does Well at Soda Fountain—Canadian Business Ahead of 1931

Coming of warm weather has given the usual boost to sales and profits of Canada Dry Ginger Ale Inc. April net profits practically met one quarterly dividend installment of 30 cents on the 505,287 no par common shares and May and June are expected to provide the equivalent of or more than another payment. The third quarter therefore may provide a considerable portion of the annual dividend requirements of $1.20 a share.

The current quarter and the last quarter of the company's year ending September 30 are ordinarily Canada Dry's best periods. Given favorable summer weather one may expect the year's earnings therefore to cover the present dividend rates or better.

Is Good Showing

This result, though expected, is encouraging in view of the fact that the quarter ending December 31 showed a loss amounting to $23,560 after depreciation and discount. It is true that after October each succeeding month showed a gain over the preceding one. The quarter ending March 31 showed a profit of 8 cents a share but, because of the loss in the first quarter, earnings were only 3 cents a share for the first half of the fiscal year. It is therefore up to the last six months to make almost the entire annual dividend.

The company's biggest field for quantity sales in the metropolitan district of New York and around Philadelphia has turned up trump this year. May business was ahead of May in 1931. On the Pacific Coast business is also said to be on the uptrend, and thereafter about the middle of July the new Los Angeles leased plant will help the company to eliminate the high freight expenses heretofore attached to Coast business.

Opens New Sales Field

The new sales field broached by the company in January by selling Canada Dry Ginger Ale syrup at soda fountains in United States and Canada is having a considerable measure of success. At present more than 10,000 soda fountains have Canada Dry "on tap" as a result of this enterprise.

It is reported that these sales at soda fountains have not at all trenched on the ordinary bottle sales.

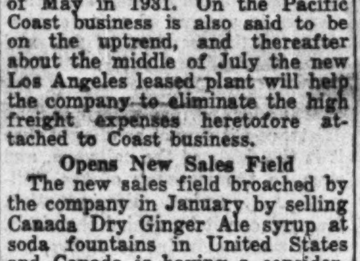
Wall Street Journal expresses the opinion that Canada Dry will itself absorb the tax of 6 cents a gallon on fountain syrup and 5 cents on syrup for bottled products fixed by the U. S. 1932 revenue bill, rather than pass it on to the consumer. Certain economies in the internal operation of the company, it is judged, will offset the tax cost. The tax of 4 cents a pound on carbonic gas will not affect earnings materially as the total amount of this product employed is not relatively very great. The company had experience with tax schedules similar to those now in force in 1923.

Canadian Sales Gain

Sales and profits in the six months ended March 31 in Canada were above those of the same period in 1931. In the United States that growth is being watched with great interest because some commentators have feared that United States legislation in favor of legalizing beer sales would be antagonistic to growth in sales of Canada Dry's business. A steady growth of ginger ale sales in Canada, where intoxicating beverages can be bought in every province, is therefore increasing confidence in Canada Dry's prospects for the long view.

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECOR.

20 Industrial Stocks	High	Low
Week of June 21	21.6	20.0
Week of June 14	21.2	19.6
Month of June, 1931	46.1	35.2
8 Bank Stocks		
Week of June 21	149	147
Week of June 14	150	148
Month of June, 1931	232	218
10 Public Utilities		
Week of June 21	38	37
Week of June 14	38	36
Month of June, 1931	75	63

Beaverbrook's Challenge May Start Open Warfare For Control of Newsprint

English Peer Has Tentative Plans in Mind Whereby Canadian Industry May be Put Back on Its Feet

BEATTY COMMITTEE GIVEN SETBACK

Methods of Force May be Used by Beaverbrook to Bring All Companies to His Way of Thinking — Definite Opposition in View — Basket of Roses Plays Important Part in Present Developments

From Our Own Correspondent

MONTREAL.—A basket of roses was the gauntlet thrown down by an English peer to an American business executive: an act which may be the start of a war in the newsprint industry, making the troubles of the past two years look like a pink tea party.

Few investors are aware that at the recent general meeting of Price Bros. and Co., in Quebec City, Lord Beaverbrook was the recipient of a basket of roses from A. R. Graustein, president of International Paper and Power Co.

Newsprint executives are a hard-minded lot and are not, as a rule, in the habit of sending roses or any other bouquet to their competitors. In this instance Beaverbrook probably was in need of flowers, as he was faced with the task of telling Price Bros. shareholders how deeply involved had become the company's affairs and what steps it was necessary to take in order to place the organization back on its feet.

Back of this episode is a story that has few equals in Canadian corporate history.

Reason For Difficulties

In the first place it is necessary to appreciate the situation that has prevailed in the Canadian newsprint industry over the past few years. Through unrestricted development, new machines were installed in Canadian plants at a rate far in excess of the growth of consumption. With the dropping off in demand for newsprint in the fall of 1928, it became more and more difficult for newsprint producers to meet their capital charges. This situation became more pronounced in 1929 and 1930, when the matter became so serious as to become of national import.

Newsprint plants, which in the heyday of prosperity had been operating at 100 per cent of capacity, steadily diminished in activity and over the past year operated at less than 50 per cent capacity. During the current year, operations have been even less satisfactory and some of the large companies are known to be operating at under 30 per cent of capacity.

Operators in Trouble

Consequent upon the dropping off in demand and no lowering of fixed charges, one of the first concerns to go under was Canada Power and Paper. This company's capitalization was cut in half, with bond interest deferred for several years. Despite this move there has been no definite progress made by the organization since its recapitalization.

At the end of February, 1931, Minnesota and Ontario Paper Co. was placed in receivership as it was unable to take care of certain obligations maturing in the following month. This company is still operating in receivership, which does not necessarily mean loss to the bondholders, but if any change took place in the industry causing further losses, they would fall directly on the shoulder of the bondholders.

Organize New Committee

At the same time the other operators were in an unhealthy position and threatened with bankruptcy. Following the Canada Power reorganization, a committee was sponsored and set up by Sir Charles Gordon, president of the Bank of Montreal, Morris Wilson, vice-president of the Royal Bank, G. R. Cottrelle, Canadian Bank of Commerce, and E. W. Beatty, chairman and president of the Canadian Pacific Railway.

This committee, commonly known as the Beatty newsprint committee, started work under the assumption that the troubles of the industry could be overcome by the amalgamation of the major operators, thus permitting various economies in operation, closing down of high-cost plants, more equitable distribution of tonnage by mills, and the establishment of a uniform policy.

Avoided Bad Break

For many months the committee has been collecting data on the industry and the individual operators, The group back of this committee have a large stake in the industry and the committee has given to the industry a sense of leadership which heretofore had been lacking; it is a matter of fact that a bad break last fall was avoided through the instrumentality of this group.

Though the committee's work is far from being completed, still it has the matter of the rehabilitation of the industry well in hand. Backed by known strong interests, the committee has been able to accomplish a great deal even though to date it has not presented any concrete plan for the proposed merger.

Two Fall by Wayside

While efforts have been directed toward a consolidation, two of the largest operators have met with difficulties. The first is Price Bros. & Co., whose troubles are not entirely attributable to lack of newsprint demand, and, secondly, Abitibi Power and Paper Co., which failed to pay bond interest due on June 1 last.

Troubles of Price Bros. & Co. brought Lord Beaverbrook into the picture. At the start he probably did not have any ideas on the newsprint situation other than how best to put Price Bros. back on its feet. He is or at least his English papers are, large purchasers of newsprint.

Beaverbrook a Factor

Beaverbrook came to this country a few weeks ago to help settle the Price situation. In that short time he has come to be a real factor in the newsprint situation.

What has happened? At the annual meeting of Price Bros. & Co. Beaverbrook told shareholders, bondholders and creditors alike what would be necessary to place the company in a sounder position.

Heavy concessions had to be made by bondholders and creditors. In return for placing confidence in him, Beaverbrook more or less promised that upon expiration of the current year, he would place substantial contracts with the company for newsprint. He further told the meeting that his interest

(Continued on page 5, col. 5)

SHAWINIGAN WILL COVER ITS DIVIDEND

Present Estimate Shows Just Over $1 Per Share

From Our Own Correspondent

MONTREAL.—On the basis of reported earnings during the first quarter and estimate for the balance of the year, Shawinigan Water and Power Co. will be able to cover its dividend of $1 a share on the common stock by a small margin in 1932.

There has been considerable speculation on the ability of the company to earn sufficient revenue this year to cover all prior charges and still have enough over to take care of common dividends. It has been pointed out that industrial operations in the territory served by the company, has not been overly active this year. At the same time the pulp and paper industry, one of the largest outlets for the company's power, has been having considerable difficulties.

Earned $1.91 Last Year

Last year Shawinigan showed a gross income in its statement of $13,693,194. After deducting operating charges of $5,033,082, there remained net earnings for the year of $8,660,113. This was sufficient to take care of depreciation and fixed charges, leaving a balance equivalent to $1.91 a share on the common stock, or about 34 cents a share less than the amount paid out in dividends.

On October 10 last, the directors decided to reduce the dividend on the common from $2.50 to $2.25 per share per annum. This rate was in effect until April last when the disbursement was placed on annual basis of $1 a share.

There is doubt of the maintenance of this latter rate, a condition which has been reflected in liberal selling of the company's stock forcing it down to a current level of slightly under 10.

Details of Estimate

It is estimated that during the current year, Shawinigan will earn in the neighborhood of $13,000,000. After providing for expenses, depreciation, income and provincial taxes and other prior charges, there would remain a sum equivalent to slightly better than $1 a share on the 2,178,250 shares of no par value common stock outstanding.

Details of this estimate follow:

	$
Estimated income:	
Power sales	8,993,000
Retail sales	2,200,000
Investments	900,000
Miscellaneous	1,000,000
Total	13,093,000
Less: Expenses	9,400,000
Net revenue	3,693,000
Depreciation	800,000
Taxes, etc.	514,750
Balance	2,378,250
Dividends of $1	2,178,250
Surplus	200,000

Power sales of the company cover deliveries to Montreal

(Continued on page 5, col. 4)

Bread Improves Financial Position

Canada Bread Co., controlled by Maple Leaf Milling Co., will conclude its fiscal year on June 30, 1932, with an improved financial position. Earnings, it is understood, will be sufficient to cover bond interest and first preferred dividends as well as an addition to the depreciation reserve.

The company has not had to take inventory losses to any great extent during the year as it bought its flour at fluctuating prices to meet requirements on a hand to mouth basis.

There has been intense competition within the industry but the management has continued its policy of retrenchment and has effected additional economies. Plants have been kept in excellent condition and this is believed to have contributed considerably to the company's ability to keep costs on as low a basis as is consistent with maintenance of quality and palatability of product.

Highlights of the Week

Parley in Danger

Arthur Kitson, famous English economic writer, shows how British prejudices endanger success of Imperial Economic Conference. Page 10. Along the same line, there is a complete report of the cotton textile negotiations in Montreal on page 1 and some useful comment in "The Nation's Business," page 1.

Bondholders' Rights

National Trust Company official outlines the rights of bondholders in defaulting companies. Story on page 1.

Price Brothers Deal

Strong criticism is levelled by Junius at the scheme that endangers bondholders without offering them compensation. Page 1.

British Business

Sir Gilbert Vyle and Sir Robert Horne will speak for British Business at Ottawa. Sketches on page 11.

Business Better

Although American business indicators show great sag for May, The Financial Post's own index for Canada turned up. Page 7.

After Tax Cuts

Business and financial leaders at trust and loan meeting show how high governmental expenditures affect security of investments. Page 12. Investment bankers president backs up demand. Page 5.

New Brunswick

Here is a province where stability is the keynote, even through the depression. A special supplement, pages 13 to 19.

Canada's Gold

The mining editor makes the first authoritative estimate of Canada's gold production for 1932. He sees $63,000,000 output. Last year $56,000,000. Page 24.

Panics of the Past

How Canada came through the crisis of 1857. Third of a series. Page 20.

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'ALL QUIET
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FINANCIAL FRONT

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TORONTO CANADA

Trust Officer Details Rights of Bondholders

(Continued from page 1)

of the company and a share in whatever profits it may earn in the future.

The articles have aroused widespread interest in the financial community and among investors all over Canada.

Foreclosure Should be Last Resort

This week, Fred R. MacKelcan, counsel of the corporate trust department, of the National Trust Company, Toronto, issued a statement setting forth many little understood points in connection with the position of bondholders of industrial companies forced to default on their bonds or finding themselves in such financial difficulties that their bonds are placed in jeopardy.

Mr. MacKelcan sets forth the nature of the usual security granted to bondholders and then proceeds to outline the remedies they have in case of default or potential default. He indicates clearly that foreclosure under the mortgage deed is to be regarded as a last resort, not to be undertaken if there is any chance of the company continuing as a going concern. Even the appointment of a receiver and manager is only to be considered if it can be effected without substantial injury to the credit of the company. When a receiver and manager is appointed he has a broader interest than that of the bondholders alone; he must regard himself as representing all of the interests in the company although the bondholders may obtain the right to sell the whole enterprise as a going concern to some new group.

Having clearly indicated the difference between a mortgage on a piece of real estate, where foreclosure may often be the best procedure, and the bond of an industrial company, that must be maintained as a going concern if the bonds are to retain their maximum value, Mr. MacKelcan indicates the necessity of judging each affair upon the particular facts of the case. If an arrangement or settlement is made it should be made after a study of all the facts and a consideration of all interests in the company, including the bondholders. Mr. MacKelcan makes this point, which will be of interest to bondholders of many companies whose affairs have recently been under consideration:

> "The question as to what is a fair arrangement to be made depends entirely upon the facts of the particular case. It may be one in which the appointment of a receiver and manager would be harmful to the business, or, on the other hand, one in which such an appointment might help. The burden of the company's capitalization and ordinary indebtedness may be so great that a drastic reorganization is indicated, or its banking situation and its capitalization may be in a good position and there may be no accumulation of ordinary indebtedness, in which case no reorganization of the financial structure would be required. The existing personnel and management and the influence of the shareholders may be vital to the successful carrying on of the business, or they may not. Before determining what, if any, arrangement should be made by the bondholders it is clear that the situation should be fully and carefully studied on their behalf and that full information should be made available to their representatives and the proposed arrangement put before the bondholders with proper explanations and facts and without undue rush or hurry."

Bondholders Entitled To All Facts

Mr. MacKelcan advises that sound reasons should be presented to the bondholders for acceptance of any terms offered to them, having in mind that their primary objective should be to protect their investment in the best possible way. And if they consent to cancelling part of their income or security the question of the inducement to be offered to the bondholders is important.

Mr. MacKelcan's statement will be regarded by bond investors as timely and of some considerable significance. It would be surprising if it did not have the effect of modifying the present tendency to force through bond settlement schemes that have not been "fully and carefully studied" on behalf of the bondholders and of which it can not be said that they were put before the bondholders "with proper explanations and facts and without undue rush and hurry."

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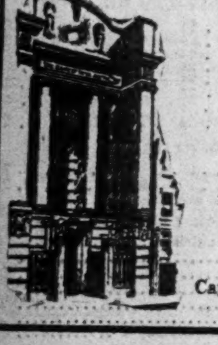

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The Nation's Business

(Continued from Page One)

ducers, as preferential tariff arrangements to be made at Ottawa should have the effective approval of the people most directly concerned. Unless the governments themselves take the problem firmly in hand and arbitrarily settle a matter that the manufacturers could not settle, it would appear that cotton textiles will prove a barrier to success at Ottawa.

Rather comprehensive reports of the conference have been issued by both the British and the Canadian negotiators. These reports obviously do not tell the whole story of why the conference broke down but they are in agreement on all the main points.

The British cotton mills apparently asked to have the Canadian market reserved to them on items not now economically manufactured in Canada and to have the preferential duties substantially lowered on all the items now produced by the Canadian mills. On the first request there could have been little argument from the Canadian mills but it was to be expected that they would resent the second suggestion and fight it bitterly. In fact, the British mills showed considerable lack of tact and good judgment in presenting it at all. If Empire rationalization means anything at all it means preserving and building up Dominions industries, that are well established, although encouraging importation of British goods—of which there are numerous lines—not economically manufactured in the Dominions. The United Kingdom steel mills, in their negotiations with the Canadian mills, recognized this principle.

After it became apparent that the original British suggestions were unacceptable, negotiations proceeded along other lines and some suggestions were made by the Canadian mills that seem reasonable enough to the outside observer but that were rejected by the British delegation.

* * *

IT IS popular in Canada to attack the textile industry for constantly taking advantage of the tariff. Before these negotiations took place it was freely predicted that they would fail, due to the stubbornness of the Canadian mills. It is unfortunate that the Canadian mills have permitted such an adverse public opinion to grow up concerning their operations and policies, but it is their own fault and is the result of rather shortsighted indifference to the public viewpoint.

Because of the rather unfriendly feelings held by many Canadians toward the textile mills, it is likely that the Canadians will get the blame, even in this country, for the breakdown of the pre-conference negotiations. But a reading of the reports issued by the two delegations, and published elsewhere in this issue, would tend to give the impression that it was the "England-the-workshop-of-the-Empire" prepossession of the British delegation that was primarily responsible.

Why Are Railways Alone Subjected to Control of Rates?

A CASE recently decided by the Board of Railway Commissioners may be properly described as one to determine whether discrimination in railway rates is, in certain circumstances, just or unjust. Unjust discrimination is, of course, specifically forbidden by the Railway Act.

The facts of the case, admitted by both the Ontario flour mills who complained and the railway companies, are very simple. For many years the railways have had a large volume of traffic in flour and other grain products from Western to Eastern Canada, for both export and domestic markets. Millers prefer rail to water movement for this class of traffic, but in the condition of acute, even absurd, competition between shipowners which has developed during the past two years, increasing quantities of flour have been moved East by water.

The normal railway rates on grain and flour movement have, as is the case with most railway rates, been built up after many years of experience. Under them, mills situated at inland points in Ontario have been able to compete on equal terms with mills at Fort William, Goderich, Port Colborne and other lake ports.

* * *

THIS year the railways found the mills situated on water increasing their shipments by boat, at the expense of rail movement. Unwillingly—as anyone who knows the position of the railways will believe—they attempted to meet this competition by the only means in their power, and placed in effect, during the season of navigation, rates which though they are somewhat higher than those quoted by the boats, are nevertheless, considering the superiority of rail service, calculated to recover some of the lost traffic.

Inland mills in Ontario cannot obtain such rates, as no water competition exists, and the railways contend that their forced reductions to meet water competition should not be used as a measure of fair rates where that competition does not exist.

The case was heard at Ottawa on June 1 and 2, and the Board has now issued a judgment sustaining the railways.

Assistant Chief Commissioner McLean, who writes the judgment, makes a pungent remark to the effect that the situation, while "very hard on the applicants," is not covered by the Railway Act. That is, the board finds discrimination, but also rules that, under the law, it is not unjust.

The board was set up to prevent discrimination, and, as far as it is permitted by the limits of its jurisdiction, it has carried out its duties to the general satisfaction of business men, many of whom remember the unsatisfactory state of freight rates before regulation was applied.

* * *

AS LONG, however, as only one of the transportation agencies of the country is under the board's supervision, how can discrimination be prevented? How is the board, without authority over highway and inland water rates, to control rail rates? Certainly not by denying to the railway companies the right to compete with trucks and ships. Certainly not by using rates established by ship and truck owners in spasms of acute competition as the measure of fair and reasonable railway rates.

It cannot be denied that in the case under review discrimination exists, and it cannot be alleged that it is the fault of the railways, and thus, in the meaning of the Railway Act, unjust discrimination. Nor yet can it be denied that it is, from the standpoint of equity, unfair to the millers who suffer.

The board's ruling will meet with the approval of all who take the trouble to consider the case—but does it not suggest that we should consider whether or not there is need for modernization of our whole system of public regulation of all methods of transportation, and not of one only?

Irving Brennan Offer Withdrawn from Market

From Our Own Correspondent

MONTREAL.—An offering made by Irving, Brennan and Co., investment bankers, to common shareholders of Irving Oil Co. has been withdrawn. Common shareholders were offered one share of 6 per cent $50 par value preferred stock in exchange for two common shares.

It is pointed out that Irving Oil Co. was not concerned in the offer; the deal involved the investment banking firm only.

Price Brothers Plan Unfair to Bondholders

(Continued from page 1)

cent in relation to liabilities. This ratio has not been maintained and it follows, of course, that the bondholders could, if they so decided, take action to realize on their security.

Some of Company's Embarrassments

In addition to its capital obligations the company has other commitments which are embarrassing to carry. Those which cause primary concern are as follows:

(a) The $1,200,000 in outstanding accounts above referred to.

(b) The company is under contract to Duke, Price Power Co. to purchase from it $1,000,000 of power per year.

(c) The company has a subsidiary which it entirely owns, known as Price Realty Co. The latter is the owner of a 17-story office building in the City of Quebec and on 1st May, 1931, created an issue of $750,000 5½ per cent first mortgage gold bonds on these premises, which were duly sold to the public in the same month. The security of this issue was a mortgage on the building referred to, together with a lease by Price Brothers & Co., to its subsidiary of about 50 per cent of the office space which it occupies in the building. This lease is for a term of 15 years. It obligates the company to pay a rental which, combined with the rent the balance of the building may bring in, amounts to sufficient to pay interest and sinking fund on the first mortgage bonds, plus operating expenses of the premises, insurance and taxes. It appears now as if the unfortunate holders of this issue of bonds would be forced to forego their interest also.

Troubles Not Merely Due to Depression

If the embarrassment of the company were due to (a) and (b) above it might perhaps reasonably be contended that the company's present condition is due to the general depression as it affected its business. In a measure, too, the same might be said about the obligation of the lease to Price Realty Co. But it must not be overlooked that the bond issue of $750,000 itself, as well as the lease, is virtually a direct obligation of the company, for, as previously stated, the originator of the issue, Price Realty Co. is a subsidiary wholly owned by Price Brothers & Co. Surely the latter must have known or should have known at the time the issue was created that another burden was being added which it was very questionable whether it could carry or not.

But it seems clear that the present crisis is not to be attributed to (a), (b) and (c) or any one or more of them. The immediate cause appears to be the shrinkage in working capital, which, as stated previously, came down from $4,573,683 at the close of the fiscal year 1931 to $93,256 at the close of the fiscal year 1932. About $2,000,000 of this amount is due to a difference in accounts receivable, which may reasonably be attributed to general business depression. But close to $2,000,000 more is due to two causes for which there seems to be no justification whatever.

Dividends Paid Last Year on Common

These are as follows:

(d) During the fiscal year 1932, $533,540 was paid in dividends on the common stock. The management must, or at any rate should have known that these dividends were not justified.

(e) The auditors' statement shows that during the same year advances were made to Quebec Investment Co., a shareholder, in an aggregate amount of $1,438,400, and that the balance in respect of such advances at February 29, 1932, (not including interest accrued since October 1st, 1931), was $1,273,500. These advances are unsecured and it would appear from the president's address at this year's annual meeting "were made without the knowledge of certain of the directors of the company, who protested against them as soon as they became aware of them and notified the company that they in no wise assented thereto."

Controlling Interest Received Dividend

These two items bring us right back to the question raised at the outset,— has the administration justified the trust reposed in it? It may be that, even with its working capital unimpaired by (d) and (e) above the company might find it difficult to finance, but at any rate it would have been in a position to meet the outstanding accounts of $1,200,000. Again, referring to the issue of bonds of Price Realty Co., the fact that these were issued in May, 1931, combined with the fact that the first loan of $1,100,000 to Quebec Investment Co. was made in March, 1931, places this issue of bonds (one of the primary embarrassments of the company) in a very questionable light. But the really unpleasant feature to shake the bondholders' confidence is found in (d) and (e) above.

We are informed that the present control is "the Price family and those who are concerned with the Price family." It follows that they are the holders of a large block of the common stock and benefitted materially by the 1931 dividends on that issue. The loan to a shareholder or shareholders of $1,273,500 is obviously quite unjustifiable. It has been revealed that the advances were made to bolster quotations for Price Brothers securities on a falling market.

Beaverbrook Comes to Rescue

With this background, let us examine the proposed scheme of reorganization. For some reason it is sponsored by Lord Beaverbrook. No exception is taken to this, but let us seek the reason. He explains that he came at the request of Mr. Price. He says, "I took part with Sir William Price in the affairs of the company when he undertook the newsprint operations in 1910. I have the same interest today that I had at that time. I am also one of the largest customers of the company, taking one-quarter of the output of the mills during the months of March and April"; also that "when Mr. Price asked me to come I communicated with banks and other institutions interested in Price Brothers. I asked these institutions, if I came to the aid of Mr. Price, would they be prepared to help me to carry through an effective plan of reconstruction that would enable us to make the company strong and resourceful." He tells us "There is, however, no change in the control of the company. The control is just where it was..." He tells us that he proposes the new directors with the approval of "the present control; that is, the Price family and those who are concerned with the Price family." And, again, he says, "I declare for my part that I have no intention of entering into any amalgamation; not at all. I am for a strong, independent, resourceful Price Brothers, a credit to the province in the future, as it has been in the past."

What Reorganization Scheme Involves

The reason of his coming seems quite apparent from the above,— the reconstruction of the company as an independent organization preserving the control for "the Price family and those who are concerned with the Price family." The whole scheme of reorganization bears this out.

1. The bondholders are to be asked to waive the sinking fund for five years and to forego any claim that may exist at the moment under which a default under the mortgage could be declared, including the waiving of the clause which calls for liquid assets to be maintained at 125 per cent relation to liabilities. Bond interest is to be paid if earned.
2. Preference shareholders are to be asked to forego their cumulative rights to dividends for five years, that is during the suspension of the sinking fund of the first mortgage bonds.
3. Holders of Price Realty Co. bonds are to be asked to convert these into 6 per cent 15-year income debentures of Price Brothers & Co., and it is provided that such bondholders will retain their security on the office building in Quebec, but that they relinquish provisions of the lease under which Price Brothers & Co., pay sufficient to provide interest and sinking fund, and it will also be provided that, if the company earns the money necessary to pay interest or any part of it, it must be paid.

No Recompense to Bondholders

It is to be noted that this issue of income debentures is to be authorized in the amount of $5,000,000 and that the creditors to the extent of $1,200,000 as above are to be asked to take these debentures in settlement of their claims, and that Duke, Price Power Co. is also to be asked to accept these income debentures in settlement of power bills for a time. In this whole scheme there is absolutely no suggestion that any concession or advantage is proposed to the bondholder. But for some reason it seems that the holder of preference stock will take some ultimate benefit. Lord Beaverbrook says, "It may be we will have to make some adjustment between the common shares and the preferred shares. It may be that the common shareholders will have to give up something to the preferred shares to compensate them for the cancellation of five years of cumulative rights."

Difficult For Bondholders to Reorganize

If a scheme of reorganization such as the one submitted is carried through it will be just one further step in shaking the confidence of the public, the individual investors in industrial bonds and yet it is far less serious than many present reorganization plans. Bondholders are at a disadvantage in standing up for their rights. They cannot all attend and vote. They have no organization whereby some one or more can attend with authority to act for those who cannot be present and put through some scheme which would be fair in their interests.

Assume that the proposed scheme of reorganization is carried through, that the company is successful and gets back into a strong financial position, the result will be that ultimately "the present control, the Price family and those who are concerned with the Price family" will have very valuable holdings. It is also to be assumed that large sums will be paid over the period in salaries, directors' fees and other administrative emoluments. The individual bondholder in such event will ultimately get what he purchased, and no more. He will get absolutely no extra compensation for giving up part of his security now. Some of the bondholders no doubt are people of small means, undoubtedly some are aged or widows without earning power. To a large proportion the loss of interest over the period the company cannot pay or the depreciation of the market value of their bonds due to suspension of sinking fund payments and the general weakness of the company will have entailed real hardship. Cuts in salaries of executives, which no doubt have occurred and suspension of dividends on stock will, of course, affect those in control, but will certainly entail no hardship comparable with that on many of the public who respected the traditions of the name of a successful pioneer when they made their investment.

As was pointed out in a previous article, this confidence, with very good reason, is being sadly shaken. If it is not restored it is a very ill omen for financing of corporations in this country in the future; if it doesn't have the effect, which may well result, of bondholders as a class organizing to enforce their rights. As was previously pointed out, this might not be entirely in their best interests and it would certainly wreck institutions which some give and take would save. The public is beginning to realize also that in very many instances control of corporations is in the hands of an individual or group by virtue of some stock which represented little or no investment. Yet, if a company is a success this group,— by virtue of this stock,— gets the lion's share of the profits by way of dividends and/or sale of their holdings, quite aside from large emoluments by way of salary or otherwise.

Bondholders Entitled to Common Stock

To play fair with the bondholders and the holders of preference stock, who put up the real money to finance the venture, it would seem only reasonable that the larger portion of the common stock should be distributed among them whenever they are asked to suspend or reduce their interest or write off dividends.

Such action would assure control to the bondholders, particularly if they pooled their stock with a committee of their own nomination, so that their stock could vote as a unit. If in the case of Price Brothers & Co., this suggestion was followed, the bondholders committee could, if they saw fit, give "the Price family and those who are concerned with the Price family" a chance to re-establish confidence in themselves by leaving them and their nominees in actual management. If they justified being given this chance and put the company back on a strong footing, the bondholders' pool might then be dissolved. On dissolution of this pool the control for all practical purposes would revert to "the Price family and those who are concerned with the Price family" because, while their stock holdings would be cut down to less than one half, what they had left would be a unit sufficient to carry control as against scattered majority holdings.

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The Position of Holders of Industrial Bonds

BY

FRED. R. MACKELCAN, K.C.

Counsel, Corporate Trust Department

National Trust Company, Limited

UNDER THE BRITISH practice which prevails in Ontario and largely throughout the Dominion, bond issues of industrial concerns are usually secured by two kinds of mortgages or charges which are included in the same trust deed, namely a fixed charge upon fixed assets (that is to say the same kind of security as an ordinary mortgage upon a farm, dwelling house, apartment or office building) and a floating charge upon all the other assets of the Company. Until there is a "crystallization" of the floating charge—which broadly speaking means the enforcement of the security and the termination of the carrying on of business by the Company—the Company may deal with the assets which are subject only to the floating charge, in the ordinary course of its business. The principal assets covered by floating charges (in addition to the good will which is a very important factor) are inventories, cash and bills and accounts receivable, and obviously, so long as business is being carried on in the ordinary manner, the Company must be in a position to deal with such assets without having to apply to the Trustee for the bondholders for the right to do so.

In order to obtain a clear picture of the rights of bondholders it is of first importance to determine what they can do if their security becomes enforceable. In the case of industrial issues, as appears from what has been said above, under the ordinary British type of trust mortgage they have two different types of charges, namely the fixed and the floating, and by reason of the floating charge they have security upon the business as a going concern and they can require the business to be carried on through the appointment of a Receiver and Manager. It is not necessary, however, for the bondholders to avail themselves of their security upon the good will or going concern value of the business, and if they do not choose to do so they can proceed to realize upon the fixed assets and those of the floating assets which are effectively caught through the crystallization of the floating charge, without concerning themselves about or assuming any obligation in respect of the carrying on of the business which, under such circumstances, in the unlikely event of its being carried on at all, can only be carried on by a Trustee-in-Bankruptcy or a liquidator under a lease from, or other arrangement with, the Trustee or Receiver for the bondholders. The technical procedure by which this result is brought about is through taking sale or foreclosure proceedings, and either abstaining entirely from receivership proceedings or having a Receiver only, instead of a Receiver and Manager, appointed, the bondholders thus relinquishing their right to have the business continued through a Manager appointed at their instance. In actual practice this course is rarely taken, and so far as the writer's knowledge goes it has never been taken unless at the time the trouble arose the Company's business had ceased to be carried on or plainly could not be further continued. On the other hand, in the case of the great majority of industrial bond issues it is a matter of vital importance to the bondholders that the business be continued, as otherwise they would be left with plants and equipment on their hands very difficult to realize upon, and which would involve heavy expense for taxes, insurance, caretaking, etc., up to the time of realization. Furthermore such realization would often be found impossible unless the original business could be revived or a purchaser found who was carrying on, or proposed to carry on, the same line of business.

Therefore, it generally happens that when action is necessary on the part of the bondholders it takes the form, as a first step, of having a Receiver and Manager appointed with power to carry on the business. Such a Receiver and Manager under our law is entirely different from a Receiver appointed in bankruptcy or a liquidator and also from a Receiver appointed in the United States, as the American Receivers are appointed at the instance of ordinary creditors, while in our proceedings the Receiver and Manager is appointed at the instance of the bondholders as mortgagees. Contrary to what is probably the general understanding, Receivers and Managers of a Company are rarely appointed merely as a result of default upon its bonds. The primary reason for such appointment is to permit the business of the Company to be carried on, the appointment being made on what is technically known as the ground of "jeopardy." In plain English this means that the Company gets into such a position that its operations will cease unless a Receiver and Manager is appointed, thus preventing interruption of the business through action by ordinary creditors, and enabling new moneys to be raised for operating purposes by the issue of Receiver's certificates ranking ahead of the bonds. On the other hand the mere inability of a Company to pay interest or sinking fund under its bond mortgage does not necessarily make it desirable in the interests of the bondholders to take proceedings for the appointment of a Receiver and Manager and the enforcement of the security if the Company is able to continue operations, because the result of such proceedings might be to injure the business of the Company as a going concern. Therefore, where bondholders are confronted with a situation where there is default under the bond mortgage, but the Company is nevertheless able to continue carrying on its business, the very first point to be decided is as to whether the going concern value and the continuance of operations are of substantial importance to the bondholders, and if so whether operations can be carried on effectively through a Receiver and Manager without substantial injury to the business. The factors involved in this problem, of course, vary greatly in individual cases. As above indicated, it generally appears highly desirable in the bondholders' interest to continue operations if possible, and in some cases such operations can be continued by a Receiver and Manager as efficiently as if they were carried on by the Company's management, or perhaps even more efficiently, while in other instances, owing to the nature of the business, receivership may be harmful.

A further very important point which generally arises is as to the security held by the Company's bankers. In most instances it will be found that the Company has given its bankers assignments of inventories under Section 88 of the Bank Act and also assignments of receivables, and if it should be found desirable to have a Receiver and Manager appointed on behalf of the bondholders one of the first things to be done is to make some arrangement with the Bank having the security. The Receiver and Manager, of course, cannot himself carry on operations without obtaining the right to use the inventories belonging to the Bank and obtaining a sufficient line of credit to take the place of the assigned receivables; on the other hand, the Bank cannot itself work up and dispose of its inventories, and sometimes cannot effectively collect the receivables, without carrying on the business, which involves the use of the plant and equipment covered by the security of the bondholders. The kind of arrangement to be made with the Bank depends upon the facts of each particular case. If for example it should be considered that the Bank's security will not realize sufficient to pay off the Bank's loans, then the Receiver and Manager may try to make an arrangement with the Bank whereby, with or without rental, the Bank is permitted at its own risk and expense to occupy and use the premises so as to work out its security; on the other hand, if there appears to be a large surplus of security above the amount of the Bank's loans, the Receiver and Manager will sometimes endeavor to arrange with the Bank to take a Receiver's certificate for the amount of its loans, thus freeing the liquid assets and making them available for the operations of the Receiver and Manager. There are indeed many kinds of arrangements that might be made with the Bank depending on the facts of each particular case.

Assuming that a Receiver and Manager is appointed he will not be permitted by the Court to carry on operations solely in the interests of the bondholders without good cause being shown. A leading case on this point is that of in *re* Newdigate Colliery Limited, 1912, 1 Chancery 468, a decision of the English Court of Appeal. In that case a Receiver and Manager of a colliery had been appointed on behalf of the bondholders and he found himself faced with a number of forward contracts at less than the market price. The Court was asked to authorize the Receiver and Manager to disregard these contracts and sell the Company's product at the market price, which would bring in a much higher return. On the facts of the situation as brought before the Court, the Order asked for was refused. Broadly speaking and expressed in ordinary language, the attitude of the Courts to bondholders in such cases seems to be about as follows: "You have come to this Court and have asked it to appoint an officer to carry on the business of this Company, which forms part of your security. You did not need to take this step; you could have renounced the right to have the business continued and have relied upon the realization of the assets covered by your security. You have not seen fit to make this renunciation, and you wish to preserve for yourselves the value of this good will through the continuance of operations. Having placed the protection of the business in the hands of the Court, the Court must require its officer, the Receiver and Manager, to preserve it for the benefit of all concerned and cannot permit him, unless a proper state of facts is made out, to impair the good will and increase the liabilities of the Company by refraining from carrying out existing contracts."

It will therefore be seen that it is quite impossible to obtain a clear understanding of the rights of the holders of bonds of industrial concerns unless one takes fully into account this vitally important question of going concern value, which entirely differentiates such a situation from that of the ordinary mortgage on a piece of real estate. One must bear in mind, however, that the bondholders can always put themselves, if they wish, in the position of an ordinary mortgagee of tangible assets, provided they are willing to abandon the hope of realizing anything upon the business as a going concern.

If, however, a Receiver and Manager is appointed and is able to carry on the business, the bondholders eventually will be in a position, through the Court, to sell not only the tangible assets, but the whole business as a going concern. Such a sale might be made to third parties or to a reorganized Company constituted by those interested in the original Company, or might be, in effect, to the bondholders themselves, so that they would end up as owners of the business to the exclusion of ordinary creditors and shareholders. It should be emphasized, however, that such a sale, practically speaking, can only be brought about through the Court.

The type of case which has recently been under particular discussion is the one where a Company is able to continue carrying on its business but is not able to pay interest or sinking fund upon the bonds, and asks a moratorium or other concessions from the bondholders. Here the question as to what is a fair arrangement to be made depends entirely upon the facts of the particular case. It may be one in which the appointment of a Receiver and Manager would be harmful to the business, or, on the other hand, one in which such an appointment might help. The burden of the Company's capitalization and ordinary indebtedness may be so great that a drastic reorganization is indicated, or its banking situation and its capitalization may be in a good position and there may be no accumulation of ordinary indebtedness, in which case no reorganization of the financial structure would be required. The existing personnel and management and the influence of the shareholders may be vital to the successful carrying on of the business, or they may not. Before determining what, if any, arrangement should be made by the bondholders it is clear that the situation should be fully and carefully studied on their behalf and that full information should be made available to their representatives and the proposed arrangement put before the bondholders with proper explanations and facts and without undue rush or hurry.

If a Company has got into financial difficulties and is unable to continue carrying on unless the bondholders will make concessions such as in regard to the payment of principal, interest or sinking fund, the bondholders, of course, should not agree to the proposed concessions unless it is in their own interest to grant them. Therefore, when such proposals are made sound reasons must be shown before their acceptance will be warranted. It is impossible to cover all the kinds of reasons which might be thought adequate to induce the bondholders to make modifications of their rights. As has been sometimes suggested, one inducement might be the offering of an interest in future profits or in the equity as consideration for the concessions asked. Another inducement might be an offer on the part of the junior interests to put new money into the business. In other cases the concessions asked may be merely of a temporary character so as to give an opportunity for a proper study of the whole situation in order to see what decision should eventually be taken by the bondholders.

These illustrations, of course, do not by any means exhaust the field of possible inducements.

It is probably fair to say, however, that the primary objective of the bondholders should be to protect their investment in the bonds in the most effective way possible under the circumstances, and if they can be put in a position where they feel reasonably assured that eventually their principal and interest will be paid in full without undue delay the question of obtaining some additional consideration is probably a subordinate matter. On the other hand, if, through definite or possible cancellation of part of their principal or interest, bondholders will be or may be left in the position of ultimately receiving less than what the Company agreed to pay them the question of obtaining an interest in future profits and the equity becomes important.

In those cases where reorganization must be effected, and not merely a temporary moratorium, it is obvious that, apart from the vital matter of providing for efficient management, there are two outstanding points to be aimed at, namely (1) the reorganization must be fair to the various interests concerned in the Company, having regard to their respective priorities and positions and the sound value of the Company's business, and (2) it must be fair to the business itself. In the ordinary industrial case it is the future earnings of the business which are the most important, the most likely, and sometimes the only possible, source of receiving a return on the bondholders' investment, and if the capitalization of the reorganized Company places too heavy a burden upon the business and kills the incentive and initiative of the management, the reorganization will not be a good one, even if the distribution of new securities is fair and reasonable as between the parties interested in the old Company.

Regarding meetings of bondholders, it should be realized that it is the usual British practice to insert provisions in Trust Deeds allowing a specified majority of the bondholders by vote, at a properly called meeting, to bind the whole group. This sensible provision has been well tested in practice and has been found satisfactory over a period of many years and in numberless cases. It is entirely reasonable that bondholders should have a right to act as a class. Among them they own an important piece of property, namely the mortgage held for them by their Trustee. Many other classes of people who own property in common have the right to act effectively as a group without obtaining the consent of each and every member of the group, for example, shareholders of incorporated companies, members of companies without share capital and of unincorporated associations, clubs, syndicates, etc. It would seem unwise to deprive bondholders of this valuable right of community action and to leave them in a position where they are powerless as a body to take steps calculated to protect their own interests, merely because some minority objected, or—what is far more likely—could not be reached, or refused to interest itself in the matter and to take a position one way or the other on the proposal put forward.

IN view of the interest which has been aroused by the article of "Junius" appearing in the Financial Post's issue of June 11th, and subsequent discussions in the Press, the National Trust Company publishes this article, written by one of its officers, in the hope that it will constitute a further contribution towards a more widespread understanding among investors of the position occupied by the holders of bonds of industrial concerns.

Reprints of the article will be available on request.

J.M.Macdonnell

General Manager.

NATIONAL TRUST COMPANY
LIMITED

Utilities and Transportation

NORTHWESTERN POWER TO PASS BOND INTEREST

President Says July Payment Will Not Be Met

From Our Own Correspondent

MONTREAL. — Northwestern Power Co., subsidiary of Winnipeg Electric Co., will not meet the interest payment on its first mortgage series "A" bonds when it falls due on July 2, according to an official statement made by Edward Anderson, president of the company.

The official statement read as follows:

> "The company's plant, situated on the Seven Sisters Falls of the Winnipeg River, has only recently been completed; consequently, owing to unfavorable economic conditions we have not been able to develop a load for this plant. We expect, however, that with the return of better times the company will be able to find and develop a market for its power."

Newcomer to Field

A little over three years ago the Dominion granted to Northwestern Power the right to develop the Seven Sisters power site on the Winnipeg River. Plans call for the establishment of a plant capable of a maximum production of 225,000 h.p. Three units of 37,500 h.p. each, capable of delivering 60,000 h.p. under the initial head of 38 feet, were installed during 1931.

Public Put Up Money

Public financing was carried out at the beginning of 1930, when $10,000,000 of first mortgage 6 per cent bonds were offered to investors by Nesbitt, Thomson, and Co., Kissel, Kinnicut and Co., Spencer Trask & Co., E. H. Rollins & Co., and A. Iselin & Co. at 98 and accrued interest.

In addition, Northwestern has outstanding $1,000,000 of preferred stock, which was taken over by Winnipeg Electric in return for advances and 250,000 shares of no par value common stock, of which 88 per cent is owned by Winnipeg Electric.

Two of the principal features of the bonds were the guarantee of principal and interest by the Winnipeg Electric Co., as well as long term contracts with the parent organization.

Pay Canadian Funds

Discount on Canadian funds in New York, where interest on the company's bonds is payable, precipitated trouble. Late in 1931 it was announced that the bond interest, due on January 1, 1932, would be paid in Canadian currency only. Several protests were made and, rather than place the bonds in a possible position of technical default, the company, in April, 1932, offered bondholders scrip amounting to $5 for each $30 coupon dated January 1, 1932, in settlement of the difference between Canadian and United States funds at that time.

The scrip is a direct obligation of the company and is guaranteed as to principal and interest by Winnipeg Electric. It matures on January 2, 1935, bearing interest at 6 per cent per annum, payable in New York funds.

Winnipeg Electric Guarantee

With the mid-year interest to be passed, the bondholders of Northwestern Power are placed in a position of having to give the company another ninety day's grace to make good. It is possible that they will again be offered additional scrip. On the other hand, bondholders may decide to foreclose, or take legal action against the Winnipeg Electric Co. to make good its guarantee of principal and interest. The latter step would probably prove highly embarrassing to Winnipeg Electric, which has many troubles of its own and likely would not be able to make good its promise.

QUEBEC POWER PLANS REVISION IN RATE TARIFF

Confers With Civic Officials on Contract Renewal

From Our Own Correspondent

MONTREAL. — Quebec Power is negotiating with Quebec City officials with a view to revising present electricity rates. Among other things it is reported that the company will seek to renew its contract with the city for 20 years instead of ten, in return for a reduction of between one and one-half cents per kilowatt hour in present rates.

Julian C. Smith, president of the company, stated that it was the company's desire to come to an arrangement enabling electricity rates to be reduced and at the same time allow the company to obtain necessary revenues for the upkeep and efficiency of its services. A gradual reduction of rates accompanied by an increase in production would permit establishment in Quebec of rates which would compare favorably with those of other cities, he said. He added that the company was ready to make further sacrifices provided they did not affect the company's solvency.

Electricity rates have been a vexing question in Quebec for some time past. A referendum on a proposal to institute civic manufacture and distribution was defeated last year.

Energy generated and purchased by Quebec Power Co. in 1931, was 148,079,466 kw.h., a decline of over 5,500,000 kw.h. from figures of the previous year. Earnings in 1931 were equal to $2.24 a share on the common stock compared with $2.95 a share in the previous year.

During the current year the dividend has been reduced to a rate of $1.50 compared with a former rate of $2 per annum.

Aviation on Big Scale

A report issued by the Department of National Defence shows that 495 airplanes operated in Canada last year, covering 7,046,276 miles and carrying 244,209 persons, while, in addition, 11,119,828 one-mile trips were made. Express matter by airplane made up a total of 2,372,467 pounds, while air mail carried totalled 470,461 pounds. Seven firms manufactured aircraft in Canada.

Newsprint Output Off 22% From Peak

From Our Own Correspondent

MONTREAL. — Canadian newsprint production for the first five months of 1932 was 110,559 tons, or 12 per cent less than that recorded for the corresponding period of 1931. Compared with production in other industries this is a very satisfactory showing, but the point should not be overlooked that Canadian mills produced 128,123 tons less in the first five months of 1931 than in the first five months of 1930, or again a decrease of 12 per cent.

Production reached a peak for the January-May period in 1929, when 1,086,419 tons were produced, or 243,676 tons more than in the corresponding period of this year. The decline of 22 per cent in production since that date is not unusual, but during the interval capacity has increased from 9,342 tons to 12,376 tons daily, hence the reason for the disturbed conditions in the newsprint industry.

SHAREHOLDERS OF POWER CORP. APPROVE PLAN

Proposal Will Allow Strengthening of Reserves

From Our Own Correspondent

MONTREAL.—Shareholders of Power Corp. of Canada have approved a proposal to rearrange the company's capital surplus to enable it to create an investment reserve which will be applicable to depreciation of securities in the portfolio. Under the plan, capital and surplus will be segregated.

The issuance of the 446,088 no par value common shares of the company netted $17,969,475. Of this amount, $4,469,475 will be set aside as capital and the balance, $13,500,000, will be established as distributable surplus.

It has been officially pointed out that at the end of the last fiscal year, June 30, 1931, securities held by Power Corp. had shown a market depreciation of $4,700,000. On April 30, 1932, on the basis of values allowed by the Federal Department of Insurance to insurance, trust and loan companies, depreciation in the value of securities held amounted to $6,200,000. In order to bring values more in line with present prices, it is the intention to allocate an additional $7,300,000 to permit of setting up a reserve of $13,500,000.

No Word on Dividend

Asked by a shareholder at the meeting regarding the dividend on the common shares of Power Corp., A. J. Nesbitt, president of the company, said he was unable to make any statement. In reply to another question, Mr. Nesbitt said he estimated the current asset value behind common shares of Power Corp. to be between $10 and $15 a share. The spread of $5 in his estimate means roughly $900,000 in net assets.

Latest figures available on earnings cover the ten months ended April 30, 1932. In that time gross income amounted to $1,684,362, compared with $2,180,395 in the corresponding period of the preceding year. Net income for the ten months was $1,337,458 as against $1,782,423, a decline of about $450,000.

No official statement has been made regarding the present market value of securities in the company's investment portfolio. At the end of February, 1932, it was stated that assets had a total market valuation of approximately $30,000,000. This compared with assets of over $47,000,000 reported at the end of the last fiscal year, June 30, 1931. In view of the weakness in financial markets, a further shrinkage is indicated.

Southern Canada Power Net Income Off Slightly

From Our Own Correspondent

MONTREAL.—Though gross earnings showed a decline, Southern Canada Power reported an increase in net income during May last. Total income was $173,424 and operating expenses $62,329, leaving a net operating income of $111,095. This compares with gross earnings in May, 1931, of $183,418, operating expenses of $72,697 and net of $110,721.

Cumulative returns for the eight months ended May, 1932, show gross income of $1,519,922 and after the payment of operating expenses, net earnings of $965,939. This compares with a gross income during the corresponding period of the previous year amounting to $1,587,080 and net earnings of $967,367, so that returns for the current year register a decline of $1,428.

Beauharnois Electric Get Valleyfield Franchise

From Our Own Correspondent

MONTREAL.—Beauharnois Electric Co., a wholly-owned subsidiary of Shawinigan Water and Power Co., has been granted a ten-year franchise for the supply of power for municipal and general purposes by the city of Valleyfield. The contract is effective from June 1, 1932.

It will be recalled that the company acquired from the Valleyfield authorities about four years ago, the distribution system of the Montreal Cottons Co. and since that time Beauharnois Electric has operated under the agreement already entered into between the City of Valleyfield and Montreal Cottons.

Beauharnois Committee Select General Officers

From Our Own Correspondent

MONTREAL.—At a meeting of the Beauharnois Power Corp. collateral trust bondholders' committee, the following officers were appointed: Chairman, T. A. Russell, Toronto; vice-chairmen, G. W. Scott, Montreal, and E. G. Long, K.C., Toronto; secretary, W. L. Gatehouse, Montreal. Arrangements were completed for the compilation of information for the committee in formulating plans for the future.

GATINEAU POWER RECORD INCREASE CURRENT PROFITS

First Quarter Figures Show Gains Over Last Year

From Our Own Correspondent

MONTREAL.—Gross and net earnings of Gatineau Power Co. in the first quarter of the current year both showed substantial increases over similar figures for the corresponding period of last year. Balance added to surplus, after charges, was nearly double that of the first quarter of 1931.

An interesting feature of the income account is the sum of $128,829, representing profit on exchange. A similar item did not appear in the first quarter of 1931; presumably this represents payment in United States funds on power sold to the Ontario Hydro-Electric Commission.

In the first three months of this year, gross revenue including other income was $2,282,066 against $1,954,417 in the first quarter a year ago. Net revenue before interest and depreciation was $2,113,175, an increase of $623,000. Balance added to surplus was $617,369 against $310,594.

Comparative Figures Shown

Following are comparative figures for the first quarters of the last two years:

Quarter Ended March 31

	1932	1931
	$	$
Gross revenue	2,282,066	1,954,417
Profit on exchange ..	128,829	......
Net before int. & depr.	2,113,175	1,736,202
Int. on 1st mtge. bonds and prior liens	885,657	780,540
Balance	1,227,518	955,662
Int. on debs.	279,645	254,197
Other int., amort. of disc., div. on pref. stock of sub.	182,992	181,841
Deprec. & amort. of storage works	147,512	179,030
Balance to surplus ..	617,369	310,594

Twelve Month Figures

In the 12 months ended March 31, 1932, net revenue available for interest and depreciation was $8,036,378, sufficient to cover first mortgage interest requirements over two times. After payment of this interest, balance of earnings was four times the interest requirements on the 6 per cent debentures.

The company points out that though the major portion of the power sold on long-term primary contracts is now being delivered, there still remains 77,472 h.p. sold for future delivery and now being sold at relatively low rates for production of steam. This power, it is claimed, for the most part, can be delivered as primary power from existing plants with comparatively little additional capital expenditure or increase in operating costs, and it is anticipated that earnings will be on a gradually increasing scale for several years to come as this power is absorbed at primary power rates.

Profits Show Gain

Following is a comparison of earnings for the past two years ended March 31:

Twelve Months Ended March 31

	1932	1931
	$	$
Gross revenue	9,087,525	7,887,522
Profit on exchange..	243,061	......
Net before int. & depr.	8,036,378	6,916,488
Int on 1st mtge. bonds and prior liens	3,545,842	3,132,150
Balance	4,490,536	3,784,483
Int. on debs.	1,126,994	1,144,715
Other int., amort. of disc., div. on pref. stock of sub.	701,286	606,102
Deprec. & amort. of storage works	587,308	667,483
Balance to surplus ..	2,074,948	1,366,183

Jamaica Public Service Earnings Lower in April

From Our Own Correspondent

MONTREAL. — Decline both in gross and net earnings is reported by Jamaica Public Service and subsidiary companies for April last as compared with the same month a year ago. Gross income dropped $6,301 to $62,666. There was a decline in operating expenses, taxes, interest on amortisation charges, but the balance of $13,551 was $5,618 under that reported in April, 1931.

For the twelve months ended April 30, 1932, gross earnings amounted to $807,748 compared with $845,748 for the twelve months ended on the same date last year. After taking care of all prior charges, there remained a balance for reserves, retirement and dividends of $212,472 for the year just ended, as against $245,330 in the fiscal year ended April 30, 1931.

Public Utility Earnings

Southern Canada Power

May:	1932	1931	Increase
Gross	$173,424	$183,418	*$ 9,994
Expenses ..	62,329	72,697	*10,368
Net	111,095	110,721	374
8 Months:	1931-32	1930-31	Increase
Gross	$1,519,922	$1,587,080	*$67,158
Expenses ..	553,983	619,713	*65,730
Net	965,939	967,367	*1,428

*Decrease.

Jamaica Public Service

April:	1932	1931
Gross earnings	$62,666	$68,968
Oper. exp. & taxes	39,787	40,395
Net earnings	22,878	28,572
Int. & amort. charges..	9,326	9,401
Balance	$13,551	$19,170
12 Mos. End. April:	1932	1931
Gross earnings	$807,748	$845,748
Oper. exp. & taxes	486,694	491,110
Net earnings	321,054	354,638
Inc. other sources	3,911	......
Balance	324,965	354,638
Int. & amort. charges ..	112,493	109,308
Balance	$212,472	$245,330

Brazilian Traction

May:	1932	1931	Decrease
	$	$	$
Gross earn.	2,752,404	2,905,713	153,309
Oper. exp. .	1,102,831	1,138,774	35,943
Net earn...	1,649,573	1,766,939	117,366
Five Months:			
Gross earn.	12,703,961	15,516,670	2,812,709
Net earn.	7,277,160	9,281,085	2,003,925

Manitoba Power

April:	1932	1931	Increase
	$	$	$
Gross earn. ..	124,782	103,548	21,234
Oper. exp. ...	23,843	23,699	144
Net earn. ...	100,939	79,849	21,090
Four Mos. End. April 30:			
Gross earn. ..	509,780	399,249	110,531
Oper. exp. ...	109,680	95,465	14,215
Net earn.	400,100	303,784	96,316

British Columbia Power

April:	1932	1931	Decrease
	$	$	$
Gross	1,124,110	1,185,649	61,539
Expenses ..	628,079	655,734	27,655
Net	496,031	529,915	33,884
Ten Mos. End. April 30:			
Gross	11,589,106	12,289,382	700,276
Expenses ..	6,195,941	6,484,380	288,439

WILL CONTINUE TO HANDLE BONDS OF BEAUHARNOIS

Claim of Transportation and Power Corp. Not Allowed

From Our Own Correspondent

MONTREAL.—A claim sought by Transportation and Power Corp. which might have tied up financing of Beauharnois Light, Heat and Power Co. has been refused by the courts. Transportation and Power Corp. was seeking an order to stop the Canadian Bank of Commerce handling Beauharnois bonds.

In its main action, Transportation and Power attacked the validity of two trust deeds and debentures issued by Beauharnois Corp. and asked that the Canadian Bank of Commerce together with twelve other financial houses, be ordered to cease buying or selling the debentures. The Canadian Bank of Commerce moved to strike from the statement of claims the paragraph dealing with the cessation of bond handlings and this petition was granted.

Case Non-Summary

Mr. Justice Boyer, in summing up, noted that the case was non-summary and might not get to trial for a year or more. It would consequently be unfair, if, in the interval, financing of Beauharnois were to be completely paralyzed for no other reason than that the plaintiff wanted an accounting. Nor should the plaintiff, he added, shackle the business of the bank during the settlement of a dispute in which the banks are not interested. The banks motion was accordingly maintained.

In view of the judgment rendered, it is probable that all the financial houses concerned will make similar motions.

Ottawa Power Earnings Maintain Even Trend

From Our Own Correspondent

MONTREAL.—For the first four months of the current year, latest figures available, revenue of Ottawa Light, Heat & Power Co. was well maintained. In that period gross earnings actually showed an increase over the corresponding period of last year, though surplus after all charges and dividends was marginally lower. This decline was due entirely to additional requirements for bond interest payable in U. S. funds.

In the month of April, however, it is understood that net after charges showed a slight gain over the same month in 1931, indications are that figures for the half year will be on a satisfactory basis. Working capital position at the end of April is reported as satisfactory though the company has some loans from the bank which were not outstanding at the end of the year.

One reason to which the company owes its ability to maintain earnings is attributed to the fact that a large portion of its load is for residential and commercial use. Industrial load, however, is holding up well, and output, in the aggregate, has followed an even trend.

Earnings in 1931 were slightly higher than those of the previous year, and common stock earnings were $6.62 a share compared with $6.60 a share in 1930. United States exchange added $18,000 to expenses during last year, main items being for bond interest payable in New York.

Dividends at the rate of six per cent have been maintained on the common stock since 1916. The shares are pegged at $100 on the Montreal Stock Exchange.

New Officials Elected by Fire Prevention Men

Hon. E. N. Rhodes was elected hon. president of the Dominion Fire Prevention Association at its annual meeting held in Ottawa recently. W. H. Shapley was re-elected president and J. N. MacKendrick, vice-president.

Canadian Fire Marshals who held their meeting concurrently with the Fire Prevention meet, elected E. Lavinge president for the following year. H. H. McLellan, of New Brunswick was chosen vice-president, and J. E. Ritchie, Toronto, secretary-treasurer. John A. Thomas, Vancouver, retiring president, was appointed honorary president. It was decided to hold the 1933 convention in Quebec city.

Quebec Insurance Brokers Officers

Insurance Brokers' Association of Quebec elected the following officers at their annual meeting held recently: President, M. A. J. Gauthier, Montreal; executive committee, J. F. Parisien, Montreal; vice-presidents, P. A. Boutin, Quebec; F. J. Conway, Sherbrooke; D. A. Hanson, Montreal; and Emile Girard, Montreal; honorary-treasurer. Arthur McBean, Montreal; secretary-treasurer, J. C. d'Auteuil, Montreal.

BONDHOLDERS VARSITY TOWER APPROVE PLAN

Agree to Curtailment of Rights Over Period

From Our Own Correspondent

MONTREAL.—With 85 per cent of the outstanding general mortgage bonds represented and by unanimous vote, bondholders of the University Tower Corp. accepted the proposals put forward relieving the company of certain obligations under the trust deed.

The bondholders approved waiving default on payment of interest due May 1 and to postpone such payment until May 1, 1935, together with other payments due in the intervening period. They also waived sinking fund payment in regard to the underlying mortgage due March 1, 1932, and September 1, 1932, and sanctioned an arrangement with the mortgage creditor to postpone payment until the maturity of the underlying mortgage.

Postpone Sinking Fund

Approval was also given for postponement of sinking fund payments on their own bonds, as well as waiving default resulting from the postponement of payment of certain fixed charges on the property forming the specifically mortgaged premises.

University Tower Corp. operates an 18-story office building in Montreal, completed in 1930. There are outstanding $1,000,000 of 6½ per cent general mortgage bonds and $1,250,000 of 6 per cent first mortgage bonds.

Sun Life Dividend Cut to 15 Per Cent

Sun Life Assurance Co. of Canada has declared a quarterly dividend of $3.75 per share, payable July 1.

The annual rate is thereby reduced from 25 to 15 per cent. Action is stated to have been "thought advisable under present conditions and in conformity with a consistent conservative policy."

The 15 per cent rate was maintained from 1906 to 1926 inclusive when the rate was raised to 25 per cent. Since that time in addition to the regular 25 per cent payment, shareholders have received special bonuses as follows: $25 on Oct. 1, 1929; $25 on April, 1930; $25 on Oct. 1, 1930, and $25 on April 1, 1931. In addition, since 1926, shareholders have received bonuses totalling an additional $50 by way of paid-up additions to their shares.

At current quoted price of $160 bid per share the stock yields 9.3 per cent.

Two Officials Named for Union Trust Co.

The Union Trust Company, Toronto, has appointed Norman S. Watt as secretary, and George E. Buchanan as treasurer of the company.

Both these officials have been associated with the trust company for some years, Mr. Buchanan having entered its service in 1918 and Mr. Watt in 1923.

New B. C. Auto Insurance Law

British Columbia will commence its compulsory automobile insurance plan, as adopted by the last session of the provincial legislature, on September 1.

By that time companies will have in readiness policies to conform with conditions now being drafted in other provinces.

Hamilton Gets One

The Dudley Lock Corporation of Chicago has concluded arrangements with the United Carr Fastener Company of Hamilton for the manufacture of its product—combination lock—in Canada.

THE STORY OF A GREAT CANADIAN INDUSTRY—INTERNATIONAL IN SCOPE

1886

Sir John A. Macdonald *and* Party

..visit the new Sudbury Mines

This visit by Sir John and Lady Macdonald, Sir Charles Tupper, William Van Horne and George Stephens was a momentous one in the lives of the little band of men struggling to develop a paying mine out in the wilderness west of Sudbury.

To these pioneers it was a source of great encouragement to know that their efforts out on Canada's frontiers were not unnoticed or unappreciated by the leaders of government and industry.

The development of the mining industry in Canada in its early years was to a large extent due to the foresight of this great Canadian who lent his sympathetic interest and encouragement to the early struggles of what was one day to become one of Canada's greatest assets.

Sir John A. Macdonald, throughout his career, continued to take a keen interest in the development of the Nickel-Copper deposits of Sudbury. He brought his influence to bear in opening up new markets for Nickel in England and Europe. With his almost prophetic vision he undoubtedly realized that Canada herself would not be able to consume any large proportion of the great quantity of metals that would be produced from the ore deposits of Sudbury; yet to be of value the metals must be sold.

• • •

Today, as in Sir John's time, it is imperative to seek international markets for Nickel and Monel Metal, if the plants at Sudbury are to be kept operating and the ore turned into value.

To this end sales offices are maintained throughout the world and plants are located in other countries at strategic and competitive points.

THE INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED

Greater use of Nickel and Monel Metal means a greater measure of prosperity for Canada.

Large ore reserves are of little value unless a correspondingly large demand exists—world markets are essential.

News of Investment Markets

I. B. A. PRESIDENT OUTLINES CHANGE OF PAST YEAR

A. H. Williamson Urges Need For More Thorough Training

ECONOMY NECESSARY

Record of Canadian High-grade Securities Good; Should Be Maintained in Future

Members of the Investment Bankers' Association of Canada are holding their 16th annual convention at Lucerne-in-Quebec on June 23 to 25. Representing all the major distributors of securities in the Dominion, the importance of the convention is greater this year than ever before due to the substantial volume of Dominion and municipal financing which remains to be done in 1932 and more which must be accomplished within the next few years. Faced by extraordinary conditions, during the past nine months, members of the Association have accomplished what is generally regarded as being a very successful job in placing a large volume of securities in a relatively poor bond market. The results forthcoming from the present convention may well have a material effect upon the successful placement of future Canadian financing.

Attendance by Montreal and Toronto members of the Association is well up to the 1931 level when over 80 delegates were present and investment banking houses from both the Maritimes and Western Canada are also represented. A. H. Williamson, Wood Gundy & Co., retiring president of the Association, outlined in his presidential address the difficult conditions under which members of the investment banking profession has been operating during the past year. He briefly outlined achievements of members of the Association during the year and urged that members should use their influence toward economy in the affairs of taxing bodies in order that a good record of Canadian governments and municipal securities could be maintained and increased.

Mr. Williamson's address is as follows:

"While the distribution of Canadian securities has been largely confined to the home market, during the greater portion of the past year, the former demand for our securities in the leading financial centres of the world will doubtless return as world financial affairs stabilize. Looking forward to this increasing demand, it is gratifying to recall that the experience of foreign investors in Canadian government and municipal securities has been a satisfactory one, especially when comparison is made with other securities of a similar nature which they now hold in their portfolios. It is, therefore, to be expected that with the return of capital exports from these large financial centres, the demand for Canadian securities will increase substantially.

"If the American investor looks toward the South, his losses in South America are colossal. If he looks toward the East, his experience in Europe is not much better. If he looks to Asia, the unsettled conditions there are not reassuring. As against all this, his experience in Canada to the North has been so satisfactory that this country is certain to be favored before all others as a field for the investment of United States capital. The same statement can be made in connection with the British investor.

Economy is Urged

"However, in order that the good record of Canadian government and municipal securities may be maintained and enhanced, it is important that our association lend its influence in the movement toward balanced budgets which the estimates of the treasurers of many of our provinces and leading municipalities have signalized. In the administration of personal and corporation finances the efforts required to balance revenues with expenditures are usually under rather close control of those most interested in the success of the estate of enterprise. Contrasted with this, the financial affair of taxing bodies are more difficult to control. The tax payers who gain or lose most by the efficiency of the administration are frequently so scattered that united action on their part is often difficult.

"As a result, influence toward economy in the affairs of taxing bodies can be increased only by the strength of public opinion or by the efforts of some organization such as our own. Inasmuch as the various members of our Association are frequently in contact with financial authorities of the various municipalities and provinces, we are in a particularly favorable position to encourage conservative financial methods and at this time we should co-operate with all such authorities in their endeavors to maintain balanced budgets.

Should Meet Obligations

"The high regard in which Canadian securities are held in London and New York, as well as among Canadian investors, is largely based on the reputation of Canadian borrowers for meeting their obligations promptly and in full and in strict accordance with the terms of the contract made with the investor. In view of the attempts made by one or two municipalities to vary the terms of the contract without the consent of the holder of the securities, it should be pointed out to all borrowing corporations in the country that such action has a prejudicial effect on the market for Canadian securities. Our members should on every possible occasion point out to those charged with the administration of our public institutions that any small temporary advantage gained through the evasion of a portion of the contract with the investor will be much more than outweighted by the serious effect on the future borrowing power of the particular borrower concerned, and will in addition have a serious effect on the cost of money to all other borrowers in this country.

Sun Life Executive

C. S. V. BRANCH

Recently appointed second vice-president of the Sun Life Assurance Co. of Canada.

Algoma Steel Receivership Aids Financing

Placing of Algoma Steel Corp. in "friendly" receivership during the past week with officers and directors of the company appointed receivers and managers is understood to have been done with a view to facilitating reorganization of capital structure. Current operations of the company will be financed through issue of receivership certificates and authority has been obtained to raise $2,500,000 by this method in the current year. The merchant mill may be opened within a few days.

Subsidiary of Lake Superior Corp. which is controlled by Algoma Consolidated Corp., Algoma Steel Corp. has $5,800,000 of 5 per cent purchase money bonds outstanding which are largely held in the United States, $14,341,453 of 5 per cent first and refunding mortgage bonds; $10,000,000 of 7 per cent preferred stock and $15,000,000 of common stock. In the 10 years 1921-1922 to 1930-1931 the company earned interest charges before depreciation in only three years.

Investors in the United States are understood to have formed a bondholders' protective committee. Financing of current operations by issue of receivers' certificates will enable the bondholders' protective committee to work out a capital reorganization while the company continues operations. Receivers and managers appointed by the Ontario courts are: William C. Franz, president of the Algoma Steel Corp.; Alex Taylor, former vice-president of the Lake Superior Corp. and secretary of the Algoma Steel till 1931; and Sir William Stavert, a director of Algoma Steel.

Changes Recently Effected

Nearly all the common shares of Lake Superior Corp. are owned by Algoma Consolidated Corp., an organization which came into being when the involved situation surrounding Lake Superior and its subsidiaries was carried out. Lake Superior still guarantees the bond issues of Algoma Steel; prior to the formation of Algoma Consolidated, Lake Superior carried guarantees which involved over $10,000,000.

It was relieved of these through the new scheme of arrangement. The previous reorganization has made the way easier for the present proposals.

Bond Sales

DUFFERIN COUNTY, ONT.

Dominion Securities Corp. has been awarded $65,000 6 per cent 20-instalment debentures of the County of Dufferin, Ont. at 98.57; cost basis of approximately 6.18 per cent. Tenders are reported as follows: Dominion Securities Corp. bid 98.57; Gairdner & Co. bid 96½ for $25,000; McLeod, Young, Weir & Co. asked for option at 96.16; A. E. Ames & Co. asked for option at 96.03; Griffis, Fairclough & Norsworthy asked for option at 96.189; J. L. Graham & Co. and C. H. Burgess & Co. bid 96.897 for $23,871.45 with option on balance at 97½ or option on whole at 98.02; Cochrane, Murray & Co. bid 96.08; Harris, McKeen & Co. asked for option at 94.12; Dyment, Anderson & Co. asked option at 97.11; Wood, Gundy & Co. asked option at 97½.

COUNTY OF HALDIMAND, ONT.

Wood, Gundy & Co. has purchased $120,000 5½ per cent 10-instalment debentures of the County of Haldimand, Ont. at an unstated price. Debentures are being offered retail at 6.10 per cent yield basis.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Brazeau Collieries	*7%	15-yr.	July 1	...
Imperial Realty ..	*6%	1945	July 1	103

*Called in part.

The 1932 officers for the association are: T. Whitehead, president; H. Henderson, vice-president; J. B. Stevenson sec.-treas.; T. St. De Wolf, T. B. Birch, Lyall D. Fraser and F. E. Sweet complete the directorate.

FOUNDATION CO. EARNINGS EQUAL $1.23 A SHARE

Profits Reflect Decline in Business — Dividend Covered

From Our Own Correspondent

MONTREAL.—Net earnings of Foundation Co. of Canada in the fiscal year ended April 30, 1932, were $270,135 compared with $324,613 in the previous year. After provision for depreciation on a slightly higher scale and larger provision for income tax, there remained a net profit of $104,747 compared with $183,822 in the previous year. Earnings on the common stock were equal to $1.23 a share compared with $2.17 a share in the preceding period.

Surplus for the year was $30,722. The increase in provision for income tax included an amount of $5,420, being the additional 2 per cent in respect of the previous fiscal year. A balance of $637,734 was brought forward into the current year.

Profit And Loss Figures

Following is a comparison of profit and loss for the past two years ended April 30.

	1932	1931
	$	$
Net earnings	270,135	324,613
Less: Depreciation ..	141,968	120,589
Income tax	23,420	20,202
Net profit	104,747	183,822
Less: Dividends	74,025	84,600
Surplus for year	30,722	99,222
Add. Prev. surplus ..	607,012	507,790
Balance forward	637,732	607,012
Working Capital		
*Current assets	1,068,132	1,589,763
Current liabs.	635,823	927,156
Working capital	432,309	662,607

Working capital is lower, reflecting a reduction in accounts receivable and uncompleted contracts. In current liabilities, though accounts payable were lower, a bank loan of $315,000 showed a gain of $190,000.

Remarks to Shareholders

In his remarks to shareholders, R. E. Chadwick referred to the severe decline in business handled by the company during the year. This was more marked in the building division where the comparatively small amount of new business offering had drawn highly competitive prices that the company's officers considered to be unprofitable. Engineering and marine divisions, he said, had handled a substantial volume of business and show a carry-over that is considered satisfactory in the face of present conditions. The immediate outlook for profitable new business, he claimed, was not promising.

Referring to the reduction in dividends, Mr. Chadwick said action was taken in view of the rather obscure prospects for new work and on account of necessity for rather heavy commitments for equipment required for existing projects, profits from which are not expected to begin to accrue until 1933.

B. C. BOND DEALERS ANNOUNCE POLICY

Public Statement Ties Members to Definite Code of Ethics

Members of the British Columbia Bond Dealers Association have made public announcement of their adherence to a definite code of ethics with particular regard to the switching of securities. The statement points out that one of the necessities of the time in the successful management of investment holdings is the periodical review and revision of investment holdings. It is distinctly dangerous at this time to neglect the precautions which are necessary if incomes from bonds and preferred shares are not to be reduced by defaults. However, it is practically as dangerous to undertake re-arrangement of holdings without a close study of equities and without an intimate knowledge of the securities involved in sale or purchase.

"Bond dealers who recognize and abide by the terms of a definite code of ethics are in a position to render a greater service to the public at present than at any other time in recent years. The need of the investing public for trustworthy counsel has never been greater."

It is stated that one of the immediate objects of the British Columbia Bond Dealers' Association is to offer the public through its member bond houses the assurance that in the conversion of holdings to forestall loss of income or to attain greater security of principal they are not subject to unethical practices upon the part of the agents they employ for this purpose.

The British Columbia Bond Dealers' Association is stated to be "a non-profit making organization serving the public as well as its membership. Its member houses are subject to a high standard of practice and observance of the association's code of ethics is strictly enforced. Their counsel may be accepted as given in good faith, supported by a minimum of two years' actual experience in the bond business in British Columbia and calculated definitely to include the financial position of the client."

Members of the association whose names appear in conjunction with this statement include Robb, Robertson & Burt, Ltd.; A. E. Ames & Co.; Pemberton & Son, Vancouver, Ltd.; Victor W. Otrum & Brown & Co., all of Vancouver and Victoria, and also Western Cities Co.; C. M. Oliver & Co.; Read Bros. & Co.; A. Jukes & Co.; Kipperley, Rounfell & Co.; Waghorn, Gwynn & Co.; Canadian Financiers Trust Co.; D. M. Sullivan & Co.; J. P. Stevenson & Co.; and R. Gelletly & Co.

NAME COMMITTEE OF BONDHOLDERS IN ABITIBI POWER

Preferred Shareholders do Likewise — Ontario Power Situation

Protective committees to look after the interests of holders of bonds and preferred stocks of Abitibi Power and Paper Company, in case the company does not pay by August 1 the interest that was due on June 1 are requesting deposits from bondholders and preferred shareholders.

The first committee will act for $48,267,000 Series A 5 per cent first mortgage gold bonds due 1953 while another committee will represent the 6 per cent cumulative preferred stock outstanding to the extent of $34,881,800 on which dividends are in arrears for more than a year and the 7 per cent cumulative preferred stock of $1,000,000 outstanding on which two quarterly dividends are in arrears.

Has Strong Current Position

The present embarrassment of the company is in spite of the fact that its current position is strong except for the contingent liabilities which unexpectedly it has to meet because of the collapse in the investment market. Nearly $5,000,000 are required to complete the Ontario Power Service Corp. Abitibi Canyon $23,000,000 project by October 1, 1932, and a liability of $4,250,000 incurred in connection with the purchase of the Thunder Bay Co. jointly with the Canada Power and Paper Co. has also to be met at some time. The default of the Canada Power and Paper Co. with respect to Thunder Bay made this obligation of the Abitibi Power and Paper Co. greater than it would otherwise have been. This is a deferred liability, however, and The Financial Post understands that this liability is not a pressing one. Freed from the Ontario Power Service and the Thunder Bay obligations the company's position would be a strong one and, if these could be financed, it is believed that they would be a source of future strength.

Government Statement Wanted

Uncertainty still exists as to whether or not dividends will be paid on July 1 on Ontario Power Service Corp. bonds. There is enough money with the trustee to pay this interest but it is realized that for the bondholders it is absolutely essential for the continued safety of their investment to have the project completed by October 1. The question before the trustee is therefore whether to interpret the deed of trust as requiring payment of interest willy-nilly or to allow use of the funds for continuing the project.

If the Ontario Government gives the assistance expected for completing the project, all these difficulties for Abitibi and Ontario Power Service bondholders will melt away. The lack of less than $5,000,000 for the canyon project is the key log in the present jam. If further difficulty is to be avoided a statement from the Ontario Government is absolutely essential. In view of the fact that Abitibi Power & Paper Co. has concentrated all its operations in Ontario the added employment is regarded as a quid pro quo for such help. The work on the project itself through the summer is also an element in the Government's calculations.

Certain restricted woods operations will also be necessary by the company in the fall at Smooth Rock, possibly at Iroquois Falls and other areas. Wood piles at Espanola and Spanish River will be used by the mills at those points whatever the solution of present difficulties.

Form Strong Committee

Joseph P. Ripley, vice-president of The National City Company, is chairman of the bondholders' protective committee.

J. G. Gibson, formerly secretary of Spanish River Pulp & Paper Mills which was merged with Abitibi, and now of the legal firm of Gibson & Gibson, Toronto, objects to the plan of the protective committee on the ground that it is self-appointed, that it is dominated by United States interests, that it is clothed with irrevocable power by depositors of bonds and that it is authorized by terms of deposit to construe the agreement in its own way without right of appeal in accordance with the laws of the State of New York although the contract was made in Canada with reference to property in Canada and a large amount of bonds are held in Canada. The latter clause would place Canadian lawyers, he thought, in a place where they would not be in a position to advise their clients. Mr. Gibson contends that a meeting of bondholders called under the trust deed by the trustee is proper procedure as the trustee has to call such a meeting on receipt of notice signed by bondholders representing one-fifth of principal amount of bonds outstanding. He agrees that a properly selected committee, representative of small and large bondholders, might be advisable at the present time to watch the interests of all the bondholders and to be in a position to call notice on short notice of all the bondholders.

Index to Mining Stocks

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 47.3 for the week ending June 16, as compared with 47.2 for the previous week.

Eleven gold stocks remained unchanged at 48.5, 4 gold-copper stocks rose from 47.9 to 48.4, and five silver and miscellaneous stocks fell from 16.3 to 16.1.

SHAWINIGAN WILL COVER ITS DIVIDEND

(Continued from page 1)

Power, paper companies, Asbestos Corp. and a large number of small and large companies at Shawinigan Falls, Three Rivers and elsewhere in the company's territory.

It will be recalled that only a short time ago the company entered into a new contract with Montreal Power on a favorable basis. It is not expected that there will be any drop in income from that source.

A fairly large portion of the company's earnings is derived from the sale of power to paper companies. Cheap power is essential to the industry itself and though sales of secondary power may show some falling off, sales of primary power are approximately the same regardless of operating conditions in the industry.

New Asbestos Contract

A new contract was signed with Asbestos Corp. running for 30 years from December 31, 1931, which contract is understood to be more favorable to Shawinigan than the one previously in force.

Several new industries have been established within the territory of late, which will add appreciably to the load. One of the largest of the new power customers is the recently completed cellophane plant of Canadian Industries Ltd. at Shawinigan Falls. Some 20,000 h.p. is being sold to this company for steam purposes.

Develop Retail System

Shawinigan has been quietly developing a large retail distribution system. The amount of revenue anticipated from that source in 1932 is estimated at $2,200,000. It is possible that this figure may be increased when all returns are in, as this figure is looked upon as being conservative.

Due to its large investments, a fair portion of Shawinigan's income comes from investments and allied lines. Due to the business depression it is to be expected that income from this source may be somewhat lower this year, though the drop is likely to be less than might be expected by stock market conditions.

Pay Heavy Premium

A point to remember in connection with Shawinigan's earnings this year is the large amount which has to be paid to cover the premium on New York funds, which the company has to buy to cover its bond interest payments. It is estimated that some $60,000 a month will be necessary to take care of this item. This is equivalent to about 35 cents a share on the total amount of common stock presently outstanding.

Working Capital Good

In an official circular covering the current position of the company, Aldred and Co. state that as of April 30, 1932, the balance sheet showed total current assets of $7,991,156 against total current liabilities of $3,368,097. Of the total current assets, $639,648 was in cash and $4,031,935 in call loans and temporary investments.

The circular further states that as of March 31, 1932, total book value of properties (after depreciation) and securities subject to the lien securing $84,344,000 bonds outstanding with the public and $8,000,000 bonds pledged as collateral for the authorized issue of $6,000,000 secured notes, was approximately $138,000,000, of which amount approximately $127,000,000 comprised properties on which these bonds are secured by a direct first mortgage, and approximately $11,000,000 consisted of first mortgage bonds of St. Maurice Power Co. and Shawinigan Chemicals. Funded debt of $88,141,500 outstanding in the hands of the public (including $450,000 notes sold for future delivery) equalled less than 55 per cent of $163,000,000, the total net book value of the company's tangible assets (fixed assets after depreciation, securities owned, and net working capital). The company's capital stock, surplus and miscellaneous reserves were carried on its books at a total of $75,536,890.

Metropolitan Bonds Position is Intact

From Our Own Correspondent

MONTREAL. — Receivership for F. and W. Grand Silver Stores, Inc., is not expected to affect the position of bondholders of Metropolitan Chain Properties and Metropolitan Corp. of Canada. The Canadian units of Metropolitan Chain Stores were sold to Grand Silver in 1930.

Metropolitan Chain Properties and Metropolitan Corp. of Canada are real estate companies and were organized to acquire ownership in fee of chain store properties in Canada. There is a considerable Canadian investment interest in the bonds of these companies.

Metropolitan owned some 52 stores in Canada and these units were sold to Grand Silver. The properties, however, are only leased by the real estate companies and it is thought that the bondholders' position will remain intact.

BEAVERBROOK'S CHALLENGE MAY START OPEN WARFARE

(Continued from page 1)

in the rehabilitation of Price Bros. & Co. was out of his friendship with the late Sir William Price and sympathy for the "young Price boys."

Beaverbrook's Interest

It was generally taken for granted that Lord Beaverbrook has a substantial financial stake in the company, hence his keen interest in seeing the company placed on a sounder footing.

It is a fact that Beaverbrook owns a large block of shares in the company.

At the same time The Financial Post is given to understand that Lord Beaverbrook has no actual cash invested in Price Bros., his stock being received as a bonus. It is important to remember this bonus stock in view of later developments.

Controls Price Bros.

It will also be recalled that at the Price Bros. meeting a Beaverbrook board of directors was elected, due to the fact that the English peer had succeeded in securing sufficient proxies to give him control of the company.

Another important development at the Price meeting was the statement attributed to Lord Beaverbrook, to the effect that Price Bros. & Co. would continue to operate as an independent. He said "I declare for my part that I have no intention of entering into any amalgamation; not at all, I am for a strong, independent, resourceful Price Bros., a credit to the province in the future as it has been in the past."

Holds Wide Power

The matter does not end there, however, for with the control of Price Bros., and with no personal investment at stake, Beaverbrook is placed in a position of tremendous power in the industry. If the other operators do not fall in line with his plans and policies, he has, in Price Bros., the weapon to force them. Further if the other companies resist, the resulting struggle may prove disastrous to present bondholders, who have already seen heavy depreciation in their investments as a result of previous struggles.

Hits Beatty Committee

From reliable quarters The Financial Post learns that Beaverbrook's plans are contrary to those of the Beatty newsprint committee, and that to all intents and purposes, the work of that organization is set at nought. This is regarded as particularly unfortunate inasmuch as the committee have been working in harmony with the different manufacturers with a view to keeping the companies out of bankruptcy and protecting the interests of the security holders.

Ottawa Trip Significant

That the committee had been working along harmonious lines is evident from the fact that Ottawa was closely following the situation and was prepared to render assistance to the industry. The entrance of Beaverbrook into the situation may alter the attitude of the government in relation to the industry.

Opposition to Plans

Meanwhile Beaverbrook, holding proxies giving him control of Price Bros. & Co., could see opposition to his schemes from the other operators. Conversations were held by Beaverbrook and various newsprint executives, including Graustein, who is head of International Paper which in turn controls Canadian International Paper, operating some of the best and lowest cost mills in Canada. The English peer received little encouragement.

The note of thanks for the basket of flowers was said to be so worded as to be regarded in well-informed quarters as a definite warning by Beaverbrook to International and all other companies that might oppose his plans.

Look for Trouble

But will Beaverbrook carry out his plans to rehabilitate the Canadian newsprint industry along the lines which he is known to have broached to interested parties? Such a course of action might eventually place the newsprint industry on a sounder footing, but it might also involve trouble of great magnitude and lead to heavy losses to thousands of holders of newsprint securities in this country and elsewhere.

Lord Beaverbrook is understood to be returning to Canada about the middle of July next. By that time he may have changed his views regarding the manner in which the Canadian newsprint industry can be set on its feet again.

Given to Wondering

Meanwhile a section of those in touch with the situation are wondering how it happened that one who is reported to have no actual cash invested in Price Bros. & Co., is given such a degree of power that by following out a certain line of action he could throw the industry into confusion. On the other hand, with the co-operation of the parties concerned, such power could be used wisely and constructively.

That co-operation would appear to be lacking at the moment. Some executives fully anticipate a wide open war, but hope such a procedure will not be necessary.

At present two things stand out, namely, that Beaverbrook must be regarded as a strong, if not a dominant, factor in the Canadian newsprint industry, and secondly, that for the time being, and possibly permanently, the Beatty newsprint committee is like an engine with the fires drowned.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1931	Net Income 1930	Common earnings 1931	Common earnings 1930	Curr. divd.	Balance car. fwd. 1931	Balance car. fwd. 1930	Mkt.	Mkt. times earn.	Yield
		$	$	$	$	$	$	$			%
Barcelona Traction	Dec. 31	1,460,361	2,022,168	0.81	1.12	...	1,099,862	988,788	...	...	...
Rogers-Majestic Corp.	Mar. 31	*275,797	390,378	...	3.11	...	528,472	908,861	1¼	...	...
Associated Quality Canners	Feb. 29	*614,240	*15,891	...	...	...	†577,945	106,494	3	...	...
Union Gas	Mar. 31	*279,856	1,827,069	...	‡1.48	...	†311,182	254,804	3½	...	...
United Fuel	Mar. 31	*4,039	276,197	...	...	...	†59,963	3,242	...	...	...

*Loss. †Deficit. ‡15 months' period.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Haldimand Cty., Ont.	June	Wood, Gundy & Co.	5½%	10-ins.	110,000	....	*6.10%
Dufferin Cty., Ont.	June	Dominion Securities	6%	20-ins.	65,000	98.57	6.18%

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TORONTO, JUNE 25, 1932

THE SWING TO THE RIGHT

ONE of the shrewdest political observers in the United States has remarked upon the absence of a progressive group at the Republican National Convention. In all recent Republican conventions the insurgents have been a powerful force but they have scarcely spoken at Chicago. If one turns to Britain and to Germany one finds a similar situation. When the Labor Government began to be too socialistic in Britain the people put a more conservative government in power. In Germany the forces of the Left have been resisted nobly by the rank and file of the people and Germany has been close to Communism only when shortsighted blundering by Allied politicians has driven her to desperation.

Two years ago and even one year ago social discontent was more prevalent throughout the world than it is today. Politicians may swing to the left and church conventions may talk about the failure of the economic system but the people as a whole are not voicing radicalism. It may be that the economic and social soreness is there and merely awaits a suitable opportunity for expression. More likely the people realize that it is not the capitalistic system that has broken down but the socialist ventures such as enormous taxes for paternalism, deficit-producing, state-owned enterprises, government attempts to fix prices and to create prosperity by cheap credit, excessive tariffs, doles, etc.

THEIR CHANCE TO BE FATHERS OF EMPIRE

IN MANY respects, the Ottawa conference faces a problem somewhat similar to that which had to be solved by the Quebec and Charlottetown conferences of the fathers of Confederation. The delegates to the Imperial Economic Conference have an opportunity of becoming the Fathers of a New Empire.

Too often it is overlooked that economic influences dictated the federation of the provinces. Nova Scotia, New Brunswick and the Canada's were not economically self-sufficient in 1866. Far from it; their dependence upon foreign sources and foreign markets was cruelly demonstrated in the early sixties. Britain's return to Free Trade left the colonies with no preferences in the Old Land and they had to attempt to compete in the export of timber and produce with many other nations. They had lost, too, a large part of their United States market. During the Civil War, Canadian produce was readily marketable at high prices across the line and for a few months after the war shortage of supplies in the States, together with the reciprocity treaty which was in force, kept trade flourishing. But in re-establishing its domestic industries the United States suddenly went on a high tariff spree, cancelled the treaty and left the Canadian provinces in sore straits. They could not easily trade with England and they could not easily trade with Britain. And they were not accustomed to a large volume of trade between themselves because tariff barriers were in existence between the colonies.

Confederation levelled these intra-Canadian tariff barriers to the ground and provided Canadians with an opportunity to trade with one another. This greatly increased interchange of merchandise was carried on without robbing any other nation of trade. Ontario's purchases of Nova Scotia products gave Nova Scotia the purchasing power to buy Ontario's products and so on through all the area from Cape Breton to Lake Superior.

Later, the united Dominion was able to protect itself against the outside world by the National Policy that followed Macdonald's re-accession to the premiership in 1878. Canada rapidly expanded, soon took in Prince Edward Island, Manitoba and British Columbia, began its first transcontinental railway, bought back the western monopoly lands of the Hudson's Bay Company, and took its place among the trading nations of the world. Even the seven lean years from 1873 to 1879 could not beat back the long-term tide of prosperous growth.

Today the Empire countries—along with all other countries—find themselves blighted by trade stagnation. It is vitally necessary for themselves and for the world that trading between countries be revived once more. Since general trade revival on an international scale is as remote a prospect as trade revival was to the Canadian provinces in the early sixties, a start must be made in some direction where action is as feasible and as likely of immediate results as it was in the Confederation agreement of 1867. To the Empire countries the direction is clearly marked; it is in the direction of intra-Imperial trade.

It is somewhat impractical to speak of levelling intra-Empire tariffs as flat as the provincial tariffs of 1866 were levelled. But short of complete free trade within the Empire with tariff barriers against the world, there is vast scope for preferential agreements that will largely solve the international trading problems of the British countries.

POLITICS

THERE is plenty of political insincerity in Canada but the spokesmen of our parties seldom play the game as crudely as the keynote speaker at the Republican convention.

He told about the Hoover programme of public works for unemployment in these words:

> "The president enlisted the co-operation of the several states and their subdivisions in extending and speeding up their programmes of public construction including highway improvements. There was a whole-hearted response, and it is estimated that in the first winter and spring of the depression upward of a million persons, who otherwise would have been idle, were given gainful employment."

But it will be remembered that the Democrats came into power in Congress half way through Hoover's term. When they had control of the appropriations they too started spending money on public works. And this is how the keynote speechmaker referred to the Democratic appropriations:

> "They proposed billions in bond issues for unnecessary and unproductive public works, presumably on the theory that when your budget is unbalanced—when your outgo exceeds your income—you can squander yourself into prosperity."

Ho hum!

BENNETT IS OPPOSED TO MONEY TINKERING

THE League of Nations report in favor of the restoration of the gold standard is worthy of study by inflationists and monetary theorists who think that juggling with money is enough to bring back prosperity. The General McRae's and the John F. Darling's, who are carrying on propaganda for new monetary notions, are, whether they know it or not, playing the game of the international banking group in London which requires only a sufficiently wide acceptance of managed currencies under the Bank of England to dominate the world.

The League of Nations report urges balanced budgets as the way back to sound money.

An exactly similar view is that of the Sunday Times, of London, which says:

> "Dangerous are the arguments of those who say that we can juggle ourselves back into prosperity by clever adjustments of the currency. There are strong arguments for a managed currency, and in one sense our currency is managed already. So long as our budget is balanced we can indulge these interesting speculations without danger. But it must not be forgotten that the idea of a managed currency was originally put forward by the Socialists as a device for supporting extravagance, for spending more and paying less. It cannot be done."

Here then is the true solution of the monetary problem—balanced governmental budgets.

Empire currency schemes can never restore exchange equilibrium in the Empire without enforcing sound public finance and credit policies in each country and if these are enforced Empire currency is unnecessary.

A very sound monetary authority, the Financial Chronicle of New York, welcomes the League of Nations report for its sound and sensible advice, and its importance at the present juncture, when the disposition is to shy away from the gold standard and to blame that standard for all the economic ills from which the world at present is suffering, cannot be overestimated. The Chronicle regards it as a welcome oasis in a welter of tangled processes of relief which have nothing to recommend them beyond the fact that they are well intended. The monetary problem, it would seem, needs only strict adherence to well established rules and principles.

There has been some lack of knowledge of the viewpoint of our own prime minister on the various managed money and Empire currency proposals. Now we have a reassuring clue to his opinions. No paper in Canada reflects Mr. Bennett's viewpoint more accurately than the Mail and Empire, Toronto. Discussing General McRae's bumptious interview on Empire currency, the Mail says, significantly enough:

> "This whole currency question appears to be a matter for experts. It is beyond the grasp of the ordinary citizen, and so far as we have been able to ascertain, the bankers and economists of the world are widely divided in their attitude toward it. The most responsible of Canadian bankers whom we have consulted are certainly cautious in the expression of their views. While they do not wish to assume a dogmatic position in regard to the proposed change, their advice is that the country and the Empire proceed very slowly in the adoption of such a far-reaching plan. There is reason for reassurance in the fact that the Canadian Prime Minister, who will act as host of the Imperial Conference, understands this whole problem more clearly than most people and that he is, therefore, unlikely to commit the country to any injurious course."

Probably that is Mr. Bennett speaking.

IMMIGRATION NEED STILL EXISTS

THE monthly bulletin of the Saint John, N.B., Board of Trade believes that there are at last faint indications of a general recognition that population is the fundamental economic problem confronting Canada. Our over-equipment in government, in railways and in a number of other directions points to more people as the only solution. The removal of absurd restrictions and the resumption of a natural influx of people would quickly restore the economic equilibrium of Canada, in the opinion of the Saint John Board of Trade.

Quotation is made from the annual address of Sir Percy E. Bates, chairman of the Cunard Steamship Company, who shows that the reasonable expectations of the promoters of real estate development in Canada have been frustrated and railways have been built for a growth of population which has been checked. All of this is a highly unnatural condition in the opinion of Sir Percy and the symptoms are bad trade and unemployment. He says: "Artificial barriers to the free movements of peoples are contrary to the interests of humanity and to the teachings of history."

In 1913, the number of people who migrated from the United Kingdom to various sections of the overseas empire was 285,000. In 1920, it was 199,000 and in 1931, it was 27,000.

Canada needs more people, not brought here at great expense regardless of their fitness for Canadian life; but people who will be permitted to come to Canada in response to their own natural instincts of home-making, who will go on the land and transform our wildernesses into productive fields dotted with prosperous communities.

EDITORIAL NOTES

International amity gets another fillip from the pleasantly close relationship existing between Ottawa's newest Three Musketeers—the inseparable Bennett, Herridge and McNider.

* * *

The Presbyterian Church in the United States has just declared that the present depression is an indictment of our economic system. Will not a group of economists rise and declare that it is an indictment of the church?

* * *

In a survey of livestock in Canada, published in The Financial Post, it was shown that there are only two mules in Prince Edward Island. An Island citizen writes in to say that he is quite sure he knows who they are.

* * *

A clever statistician has worked it out that agricultural stabilization has cost the United States $1,000 a minute since the Federal Farm Board was organized. But that is only the loss to the federal treasury. It has cost the farmers and the country even more.

* * *

Establishing Canada as a great wine producing country is going to be difficult if one can properly regard as significant the fact that Canadian Wineries, one of the largest companies, in its last fiscal year paid taxes of $113,000 and earned net profits of about one-half as much, or $58,000.

* * *

If Franklin Roosevelt is to get the Democratic nomination he will have to wriggle out of tight corners as skilfully as another and more famous Roosevelt learned to do. Roosevelt, a high principled but somewhat weak-fibred man, dare not admit that he is under the domination of Tammany and he dare not shake Tammany off.

* * *

We were taken somewhat aback by this item in the Maritime Merchant:

> "At the present time there is no country, in Europe or North America at least, where one cannot get work, and good pay for his services too. There is a greater labor scarcity than at any period we know of, and wages have never been higher. And there is no report of any industrial concern even so much as thinking of laying off any of its hands."

But then we looked up at the heading. It read "Twenty-five years ago."

* * *

A few years ago Canadian newspapers sympathetically reproduced cartoons from French newspapers in which Uncle Sam was represented as a greedy Shylock reaching out for the world's gold. The Bank of France is now the world's largest holder of gold. In the last twelve months its holdings of gold have increased by $937,000,000; gold holdings of the Federal Reserve Board have declined $508,000,000; of the Bank of England $115,000,000; of the Reichsbank $399,000,000.

* * *

While discussion ranges on the suggestion that the value of gold should be written up in order to relieve a debt-ridden world, it is not without interest to recall a series of five letters on the subject, that have appeared in the Toronto Globe between February last and the present. These letters were written by Henry H. Fernald, of Welland, Ont., for many years a subscriber to The Financial Post. Mr. Fernald's suggestion is a revaluation of gold on the basis of two and a half times present value. Mr. Fernald, answering the argument that his idea may seem radical and chimerical, points out truly that the radical ideas of the past are the conservative facts of the present.

POST-scripts

THE National Confectioners' Association of the United States is responsible for this ingenious but harmless discovery.

If from the word DEPRESSION you remove three letters, D, I and E, which, as you will readily observe, spell DIE, you have left the inspiring imperative PRESS ON.

No further comment is necessary, but the candy makers insist on commenting.

"Courage, enterprise, and ingenuity," they say, "will pay big returns this year; large opportunities exist right now in every industry. Under the smoke screen of fear and rumor, powerful forces are quietly consolidating for a big business advance."

We don't intend to be out-anagrammed by any bunch of candymakers so we'll take the word PROSPERITY. If you remove from it the letters P, R, E, and Y you have PROSIT, the old German drinking slogan which means "Here's good fortune to you." But you observe that to get PROSIT you had to remove PREY and herein you have the text of a sermon. If it weren't for the greedy boomsters, stock jobbers and inflationists, preying on the public, prosperity would mean good fortune when it comes.

IT IS less than fifty years ago that standard time was internationally accepted yet it is not generally known that this system was the idea of a Canadian or that it was first introduced by the railways of Canada and the United States.

In 1878, a Toronto engineer, Sandford Fleming, who had been instrumental in the construction of many of our pioneer railways realized that the problem of fixing a definite basis for time on this continent was an important one as, at that time every community had its own time measured from the zenith of the sun. It was confusing for railways running across Canada to set schedule by Montreal or Toronto time thereby making a difference in Winnipeg of two or three hours between city and railway time so he evolved the system of Standard Time which was first presented to the Canadian Institute on February 8, 1879.

In a few words the proposition was as follows: There are 360 degrees in a circle and 24 hours in each day. If 360 is divided into 24 the result is 15. Therefore 24 time belts around the world of 15 degrees each would standardize time calculation. The system would start from a prime meridian and time would advance by one hour in each belt toward the east and diminish by one hour in each belt toward the west.

After numerous conferences between the railways of Canada and the United States this system was adopted by them in 1883 and the following year it was adopted by all the civilized countries of the world.

In the Mail

Wants Bondholders to Vote

Editor, The Financial Post:

I am a small investor and should like to have it explained why bondholders are debarred from voting at annual or special meetings of companies. I can understand why they should not have any say in the conduct of a business where the bonds are secured by valuable and saleable real estate, for instance, the sale of which would ensure full payment to the bondholders should the business itself fail.

I have in mind Wayagamack bonds some of which I bought years ago. The interest coupons were always honored till about a year ago when I received a notice that there were no funds with which to pay interest, also a request to send my bonds to the bondholders' committee, etc. Not having lived in Canada for a few years I was ignorant of the fact that a holding company had, by buying stock when low, obtained control of this company and in a similar manner that of some other paper companies; and moreover had issued a large amount of additional bonds and stock with the result that shortly the whole concern had become bankrupt. From what I can learn I am of opinion that Wayagamack would be still making good and meeting its interest payments if it had been left alone, which doubtless would have been the case had the bondholders been allowed to vote in the matter. It was their money that was used to start the business in the first instance and the payment of interest depended on the proper management of the business itself just as much as the dividends did. Then why should the bondholders have been debarred from voting when a change in the running of the business came up for consideration, a change which resulted so disastrously? There must be something very amiss in the law that allows such outrages to be perpetrated.

The banks issue common stock only. In my humble opinion it is a very excellent plan which might be adopted by many industrial companies when organizing. It prevents sharpers and sharks from getting control by simply buying a small interest at a low rate. All investors are exactly on the same footing in such a concern.

The Financial Post is doing splendid work. Keep it up!

SMALL INVESTOR.

May 26, 1932.
Palm Beach, Fla.,

As Others See Us

Santa Claus

St. Catharines Standard.—It has often been said that one of the weaknesses of democratic government is the tendency of people to seek to have government do things for them which in other days they were prepared to do for themselves. There is no doubt about it that there are too many Canadians who look upon Ottawa as the home of Santa Claus, and this and that vital industry must be provided for with money which comes out of the taxes which everybody pays.

Under the caption, "The Nation's Business," The Financial Post deals with this tendency elaborately.

We do not always agree with The Financial Post, especially when that paper refused to recognize the national emergency of relief measures, but there is no sound reason why discrimination should be shown any industry at the expense of the people, which is generally done for political and not for economic reasons. The time should really come when the day of "pap" will be regarded as an anachronism which cannot be condoned in any form.

Finds Colorful Romance In Lives of Financiers

Leaders and Periods of American Financial History Subject of Interesting Volume by U. S. Professor

The history of nations is the history of their economic development quite as much as of their political and social development. But the economic side is largely lost in the textbook records of political and military battles. This is unfortunate, for the explanation of many of the great events in history can not be given except in economic terms; the development of social life is based largely upon economic impulses.

The trouble has been that economic writers have not made their subject interesting. They have lost the woods of romance in the trees of figures. But they are learning. As evidence we present a really absorbing book on the financial personalities of the United States in the last one hundred and fifty years.

"Leaders and Periods of American Finance," by Professor Theodore J. Grayson of the University of Pennsylvania, in an attempt to throw light upon many phases of the history of this continent by telling the lives of the financial leaders of the different periods. It is a rich and stimulating book; well written from start to finish, a record of adventure, courage, success, failure and personality.

Interest to Canadians

To the Canadian the volume is every bit as interesting as it is to the American. In the story of Alexander Hamilton, for instance, we see the development of the banking ideas that really became the basis of the Canadian banking system. In the story of Albert Gallatin, secretary of treasury during the war of 1812, we get an idea of the financial weakness of the United States at that time and the division of opinion on the justice and merit of the war that contributed to the indecisive result. We cannot but be interested in the story of the great fur trader, Astor; in the tale of the rise and fall of the various government banks of the United States (for are we not ourselves debating the question of whether or not we require a government bank?) in the financing of the American wars; in the fight of Grover Cleveland for sound money in opposition to the silver theorists and, of course, with the careers of Carnegie, Harriman, Morgan, and Gary.

Several of our panics in Canada started in the United States and came to this country via the United States, notably the panic of 1837 and 1873, and the interesting records of these are told by Professor Grayson.

Learning From History

Reading this interesting volume of financial history, one must be struck by the fact that prosperity periods are very much like one another and depression periods also similar to one another. The conditions that preceded the great panics and depressions of the 19th century in the United States—and they co-incided with depressions in Canada—were the same conditions as existed on this continent in 1928 and 1929. The psychology of despair prevalent among the people in the darkest days of each crisis has its counter part today. Usually, the way out was found in deflation of over-extended credits, deflation through bankruptcy of over-capitalization, sound money policies, and a flight from speculation. It would be most interesting and valuable to draw many present day lessons from the record of the virile, forceful men of finance whose lives and times are told by Professor Grayson, but space does not permit.

We find on reading this volume that there is little new in what we call modern finance. The experience of the Russian rouble and the German mark was but a replica of what happened to the paper money issued by the Continental Congress in the war of the revolution. We could point today to many men who, like Robert Morris, the first great treasurer of the United States, who made great fortunes by skilful investment and who have lost all, as he did, by getting too far out on the limb of speculating on borrowed money. Today's arguments on protection do not get much beyond Alexander Hamilton's Report of Manufactures of 1791. The debate as to whether or not the generation that fights a war should pay the whole cost was heard under Gallatin in 1812 and Chase in 1861. There was even an American precedent for Hoover. Martin Van Buren came to the presidency in 1837 when all was rosy. Within six months he was involved in an economic crisis of unparalleled intensity. But let us not pursue this parallel too far. That depression caused Van Buren to be defeated when he came up for re-election.

The style of this volume is not without its interest. Professor Grayson has aimed to tell, first of all, the plain and simple facts, and secondly to lend to each story such color as an economic biographer may properly add. Thus, the style is about half way between the old chronological methods of biographical writing and the new and more romantic methods of Maurois and Ludwig. The facts then are not lost in the color and the color is not lost in the facts, and a very happy result has been achieved.

Not the least valuable feature of this volume is the group of full page plates of portraits of the chief men covered and the extensive bibliography of American financial history.

"Leaders and Periods of American Finance" is published by John Wylie & Sons, Inc., 440 Fourth Street, New York, at $4.

Other People's Views

Taxpayers Do It

Detroit Free Press.—Nation's Business tells of a landlord who sent to his tenants, bills made out in this form: "Rent $100, taxes $25, total $125." The publication also quotes a correspondent who suggests a substitution of the word "taxpayers" for "government" and says by way of elaboration: "Where an individual now says that the government is going to do thus or so, he might with more accuracy say 'The taxpayers are going to pay for this and that,' 'The taxpayers are going to build Boulder Dam,' 'The taxpayers may pay another two-billion-dollar soldiers' bonus'."

All of us know, of course, that where the government spends money the taxpayer foots the bill. Most of us have come to realize, too, that the person who pays rent, also pays taxes indirectly at the same time. But in the absence of constant reminders, we don't keep those facts as consciously in mind as we ought to for our own good.

If we could make ourselves remember all the while that when Congress, or a state legislature, or a municipal government pays out money, it is spending our money, mostly earned by hard work and contributed to government as a sacrifice, we would be far less patient with official waste and misuse, and far less likely to demand and authorize extravagances and free spendings for non-essentials.

Somehow or other, a billion or two dollars contributed by the "government" for the promotion of some special fad or fancy or "cause," or paid out at the demand of some special class which is indulging in a raid, doesn't see the same as a billion or two extracted from our pockets as taxpayers by methods which sometimes amount almost to a holdup. But it is the same. And we will save a great deal of money now dissipated by public agencies if we school ourselves to remember that fact. To put the point in a rather hackneyed way perhaps, we need to become more "tax conscious." One method of getting that way would be to pick up the suggestions made in Nation's Business and use them. Another way would be to arrange matters so that everybody would become at least a small direct contributor toward the support of government through payment of taxes. The person who meets the demand of a tax bill finds it much easier to recollect where the money the government spends or wastes comes from, than he does if his contribution is only indirect, and is more or less camouflaged as an increase in rent or in the cost of clothes or food.

"Stop Me If You've Heard This One"

One of Levinsky's customers was notorious for his slowness in meeting his liabilities. He simply would not pay for goods purchased. In desperation, Levinsky sent the following letter:

"Sir: Who bought a lot of goods from me and did not pay?—You. But who promised to pay in 60 days?—You. Who didn't pay in six months?—You. Who is a scoundrel, a thief and a liar?—Yours truly, Al. Levinsky."

Security Review

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Business Conditions in Canada

The Week in Business

Canadian Business Gains But U. S. Lags

Economic Dependence on U. S. Disappearing?

FOR the past decade it has been assumed by many who use and follow business indices, that the month to month trend of business conditions in Canada would invariably lag behind a similar computation affecting United States conditions. The time may now have come when the accuracy of such an assumption will be very definitely challenged and indeed the theory, which certainly had much to support it in earlier years, may have to be temporarily at least, cast aside.

At the present time leading business indices measuring the physical volume of trade and commerce in the United States are still either declining or at most are making no upward progress. Carloadings are currently very disappointing and in fact with the single exception of automobile production, all leading barometers showed a downward trend in May. The New York Annalist index for instance was almost ten points lower in May than it was in January.

* * *

ON THE other hand, business in Canada as measured by The Financial Post business index has maintained a very even keel during the first five months of the year and contrary to early indications, showed a measurable gain in May as compared with the previous month. A somewhat delayed boost from heavy importations of textiles and crude petroleum, was largely responsible although automobile and mineral production were important factors. With prospects at present highly favorable for a good crop in the fall, there seems little doubt but that a gain will be registered when this new source of revenue begins to make itself felt and judging by early June indices such as carloadings there is every prospect (unless there is a complete breakdown of commerce and finance in the meantime) that the index will at least maintain its present position or make a further gain for the remainder of the year.

* * *

IN OTHER words, are business conditions in Canada going to point their own way out of the depression rather than show a former dependence on the state of trade and commerce in the United States? For several years, The Financial Post Year Book has published an interesting comparative chart prepared by Babson's which reduced to a comparative basis the movement of business in the two countries. No figures are available since the end of last year, but an examination of the data up till that time tended to indicate that the course of Canadian business is becoming increasingly independent of the United States chart. There is, of course, a general correlation which is common to the indices of all important countries in recent years, but there has been increasingly less evidence that there is anything like a regular three or six months lag in Canadian business to correspond to United States conditions. The results of the next few months will probably be highly illuminating.

Butter Production Shows Gain in Saskatchewan

Creamery butter output in Saskatchewan for May amounted to 1,903,669 pounds, an increase of 87,754 pounds or 4.8 per cent over the corresponding month of last year.

During the early part of May a decrease almost equal to that of March and April was reported but in the last two weeks of the month, due largely to the exceptionally rapid growth of pastures, an increase in make was noted and this increase is apparently continuing up to the present time in spite of the very low prices for butterfat.

FRUIT PROSPECTS IN MOST AREAS BETTER THAN 1931

June Report of Ottawa Fruit Branch is Encouraging

Fruit crop prospects for the Dominion are reported as very satisfactory and indicate that yields of all crops will equal or exceed those of 1931, according to the June report of the Fruit Branch, Department of Agriculture, Ottawa, issued this week. All contributing factors, weather excepted, have been favorable to date.

Cool rainy weather generally prevailed throughout the country together with slight frosts in some districts during the blossoming period. The resultant damage or possible effect upon the yield of any or all fruits due to frost cannot readily be determined as yet, but it is thought that it will not result in a severe reduction in the production of any commodity. Diseases and insect pests are well under control, orchard and plantations have wintered well and the growers are following thorough cultural practices and conditions as a whole at the present time would indicate that crops in general will equal those of the best years in quality and quantity.

Vegetable Crops Lower

Prevailing market conditions have resulted in a considerable reduction in the area of some vegetable crops, particularly potatoes. Tomatoes also have been subject to a somewhat similar though smaller reduction in acreage due to the fact that many canning plants have sufficient quantities of stock on hand to meet demands for the present with but slight additions from this year's crop.

Prospects for individual crops, briefly summarized, follow:

Strawberries—All districts except Nova Scotia indicate greater yield than 1931. Ontario will account for the greater part of the increase. First shipments from G. B. C. were placed on the market May 27. Ontario stock will move early in June and Maritime berries the first week in July.

Raspberries—Production as a whole slightly larger than 1931. Ontario crop will probably be much larger. B. C. about the same Maritimes and Quebec will probably show decreased yields. First B. C. shipments will start July 1 to 7, with Ontario about middle or latter part of July—10 days later than in 1931.

Cherries—Ontario crop expected to exceed 1931 by one-third. This will be normal crop as last year was very low. B. C. prospects indicate considerable reduction, unfavorable weather at blossoming period causing a light set of fruit.

Plums and Prunes—Ontario crop expected to be above 1931, except in Brighton, Trenton and Oshawa districts. Burlington district will be about the same as 1931, and Niagara will probably show an increase. All B. C. districts report a uniform increase over 1931.

Peaches—Burlington and Niagara the two largest Ontario districts report a crop equal to last year and prospects indicate a total crop slightly in excess of last year. B. C. also reports aggregate production in excess of 1931. Kelowna district will probably be lower by one-fifth due to frost and Westbank a large reduction for the same reason. Other sections expect moderate increases.

Apricots—B. C., the only commercial district, expects slight reduction from 1931 final estimate.

Pears—Cool weather in Nova Scotia has reduced the set of the fruit. Yield expected to be about two-thirds of 1931. Ontario prospects are exceptionally good for a large crop, with Niagara yield probably double 1931. In B. C. three leading centries, Kelowna, Penticton and Summerland report probable decreases. Total provincial yield probably about equal to 1931. Increase for Dominion as whole expected over 1931.

Grapes—Pre-bloom estimate in Niagara district, Ontario denotes slight increase over 1931. B. C. production is increasing steadily and will probably do so this year. Kelowna largest section reports a one-fifth increase.

Cantaloupes—Intended commercial acreage in Ontario and B. C. is higher.

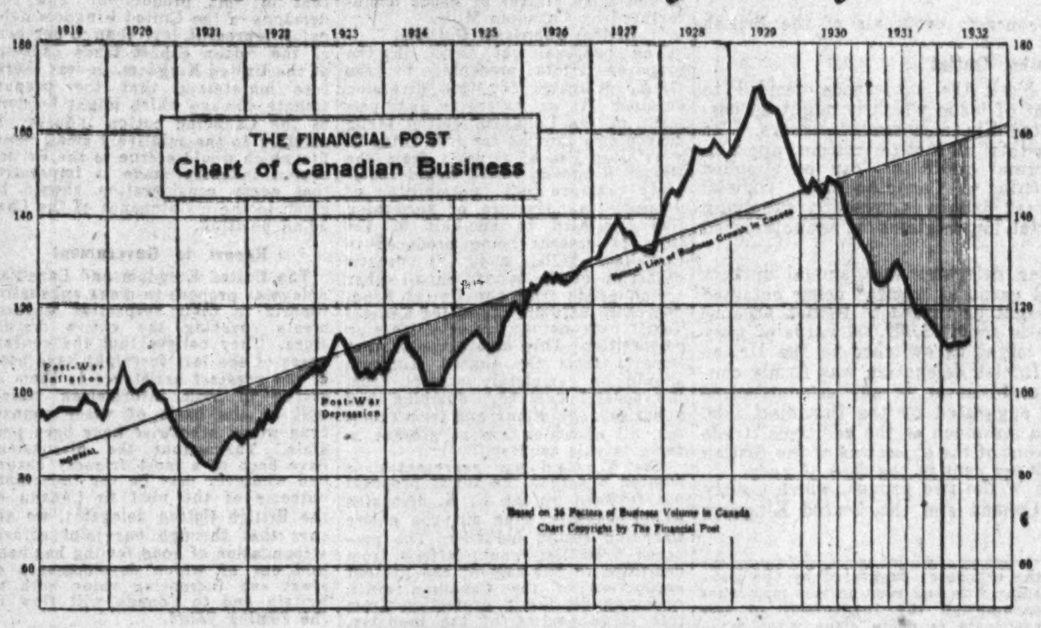
Tomatoes—Estimated plantings about two-thirds of 1931. Canning plants will probably take care of three-quarters of the crop. B. C. acreage considerably below 1931.

Apples—General crop prospects throughout the Dominion are good in spite of the fact that weather during the blossom period was not all that could be expected in some sections. Nova Scotia and New Brunswick particularly experienced several frosts at varying intervals and although the extent of the damage cannot be determined the general opinion is that the results will not affect commercial production to any great extent. Quebec and Ontario anticipate a good yield although the former may not attain the proportion of the record crop of 1931. British Columbia expects a substantial increase over last year's crop which was below normal, and the yield is expected to closely approximate that of 1928.

Onions—Ontario estimates slight increase in acreage over 1931. B. C. expects increase of one-quarter.

Celery—Plantings in Ontario expected to slightly exceed 1931 B. C. also estimates increased acreage.

Business Shows Recovery in May



Mainly influenced by the larger importation of raw materials by the textile and oil industries The Financial Post business index was 112.2 in May compared with 110.4 in April. Imports of raw cotton were double the level of the preceding month and the gain in imports of raw wool was even greater. Imports of crude petroleum were 109,500,000 gallons compared with 38,565,000 in April, indicating the greater volume handled by the oil industry. Indicators of the new business obtained by the construction industry were favorable and the automobile industry had a greater output. Newsprint and lumber industries were less active and the output of the primary iron and steel industry declined.

Business Index Makes Unexpected May Gain

Heavy Importations by Textile and Oil Groups Aid in Boosting Post Index for Good Upturn

By SYDNEY B. SMITH

The unexpected happened in May when comprehensive production indexes showed a gain. Statistics dribbling in from day to day after the first of June had in the initial stages a bluish appearance, most factors dropping away from the low levels of the preceding month.

Then imports of raw materials such as cotton, wool and petroleum made marked gains, and a few other factors making a contribution, the reactionary tendencies of the majority were counterbalanced and the situation was saved as far as the monthly comparison of the indexes was concerned. The Financial Post business index moved up from 110.4 in April to 112.2 in May.

Cotton Imports Doubled

Imports of raw cotton were 12,463,000 pounds, about doubling the receipts during the preceding month. As the normal increase for May is slight the steps taken by the textile companies in acquiring an ample supply of raw material had a considerable influence in raising the business index of May. Imports of raw wool and wool yarn, limited to 347,000 pounds in April reached the much higher level of 1,096,000 pounds in May.

Another industry showing intentions of getting ready for increased operations was petroleum refining. Imports of crude petroleum in May were 109,518,000 gallons compared with 38,565,000 in April, being also greater than in May, 1931.

Construction and Autos Firmer

The outlook in the construction industry was improved somewhat by the booking of new business at a rate in excess of the normal gain for the season. The output of automobiles also showed improvement over the low level of the preceding month. The manufacture of sugar was in considerably greater volume and the exports of silver and asbestos showed substantial gain. Imports of merchandise even after seasonal adjustment showed a gain in May.

While subject to monthly fluctuation, gold production has shown an upward trend from the beginning of 1930 to the present. The receipts of the gold at the Mint while not so large in May as in the preceding month were valued in excess of $5,000,000. The output of silver owing in part to the low price, has declined since the beginning of 1931 but the shipment of metal to external points in May at 1,401,000 ounces showed a marked gain over April.

Copper Output Maintained

Nickel exports were 3,346,200 pounds and while an absolute gain was recorded over April, the adjustment for seasonal tendencies reverses the showing. The exports of copper were 6,884,200 pounds but May is normally the highest month of the year and adjustment for seasonals throws the comparison into an unfavorable light. The curve of copper production has been well maintained in the last three years, despite the sharp reduction in the price. The exports of zinc were 18,126,500 pounds in May, a moderate decline being shown from April after seasonal adjustment. Exports of asbestos were 3,608 tons in May compared with 2,258, a gain after seasonal adjustment of 23 p.c.

Sugar manufactured in the Canadian refineries was 58,751,000 pounds in the four-week period ended May 21. This compares with 35,879,000 pounds in the preceding period, a gain after seasonal adjustment of 34 p.c. Since the end of January operations have been at a lower level than in the corresponding period of 1931. The output of flour showed a decline in the latest month for which statistics are available.

Lumbering Hard Pressed

Exports of boards and planks were 62,968,000 feet compared with 42,515,000 feet in April but the gain was below seasonal expectations. The lumber industry faces a difficult situation as far as the exports to the United States are concerned, the tariff going into effect on July 1 will place a severe handicap on the lumber trade of Canadian producers in American markets. Production of newsprint showed moderate decline in May the total being 175,887 tons compared with 176,660 in the preceding month.

The primary iron and steel industry was less active in May than in April, the output of steel being 29,239 tons compared with 36,030. The production of pig iron dropped from 16,898 in April to 13,339 in May.

The output of 8,221 motor cars in May indicated slightly greater activity than in April. As production is closely correlated with sales it is not anticipated that important resumption will eventuate this season. Imports of crude rubber were 3,171,000 pounds compared with 3,585,000 in April.

The railway freight movement was greater than in April but the gain was less than the normal increase for the season. Carloadings numbered 182,728 compared with 180,177, the decline after seasonal adjustment being about 8 p.c.

BENNETT HOLDS FRENCH TREATY TOO ONE-SIDED

Ready to Negotiate for New Agreement, However

Abrogation of the Franco-Canadian trade agreement, which became effective June 17, 1931, was necessary, said Prime Minister R. B. Bennett, because of the fact that clauses embodied in this treaty made it possible for France to change its rate of tariff on many Canadian items, while not allowing Canada to change her rates to any extent. He also pointed out that Canada granted France at least the lowest rates on all its products, while the French minimum tariff was only allowed on a very limited list of products.

One other serious drawback, according to Mr. Bennett, was that under the provisions of the most-favored-nation agreements the benefits which Canada accorded to France under the convention were also extended to a long list of other countries, composed of practically all the European nations and their possessions, with the exception of Germany, and also Venezuela.

Terms Summarized

In brief the terms of the treaty were as follows:

France granted (1) its minimum tariff, as varied from time to time, to certain specified Canadian products, (2) rates varying between the general and minimum on other products, (3) on all other articles the rates obtaining in 1910, so long as these rates were allowed to the United States, and (4) varying rates on products imported into French colonies.

Canada granted France, (1) a fixed rate on 81 items, (2) an intermediate tariff less a discount of 10 per cent on 91 other items, and (3) on items comprising fabrics of cotton and flax, and certain lines of woollen goods, the Canadian intermediate tariff less 15 per cen.

With respect of the possibility of another tariff agreement being entered into with France, Mr. Bennett said: "Having regard to mutual advantages which would accrue under a treaty more in conformity with the situation at the present time and designed to encourage the importation of commodities which each country requires and which the other produces, the Canadian government has indicated its willingness to pursue further negotiations to that end."

PRAIRIE PROVINCES HAVE FEW FAILURES

Trading Establishments Have Highest Share of April Total

Commercial failures for April, 1932, as compiled by the Dominion Bureau of Statistics totalled 190 as compared with 208 the previous month and 175 in April, 1931. Total liabilities of assignors were $3,170,679 a small decrease from both the March, 1932, and the April, 1931, totals.

By areas the best showing was in the prairies where failures numbered only 17 as compared with 40 in March and 40 in April, 1931. Ontario showed the greatest increase there being 79 in May as against 68 in April and 67 in April, 1931.

By groups, trading establishments showed the largest number with 80 as against 100 in March and 89 in April, 1931.

Comparative figures follow:

No. of Commercial Failures in Canada

	April 1932	March 1932	April 1931
By Areas:			
Maritime Prov.	13	18	10
Quebec	75	18	53
Ontario	79	68	67
Prairie Prov.	17	40	40
Br. Columbia	6	9	5
By Groups:			
Trade	80	100	89
Manufactures	37	37	40
Agriculture	19	20	8
Construction	7	5	5
Transport & P. U.	6	3	3
Finance	1	..	..
Service	25	30	18
Unclass.	15	12	12
Total	190	208	175

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	1931	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car loadings (June 11)	43,686	49,979	954,819	1,104,248
C.P.R. gross earn. (June 14)	$ 2,306,000	$ 2,849,000	$ 51,672,000	$ 65,115,000
C.N.R. gross earn. (June 14)	$ 2,842,251	$ 3,560,252	$ 63,209,686	$ 79,907,222
	Monthly			
C.P.R. net earn (Apr.)	$ 918,483	$ 1,347,039	$ 2,985,898	$ 3,812,286
C.N.R. net earn. (Apr.)	$ 1,067,971	$ 894,891	$ 449,028	$ 993,350
Iron and Steel—				
Pig iron, tons (Apr.)	16,898	58,792	55,699	192,889
Steel, tons (Apr.)	36,030	91,461	138,131	331,087
Automobiles prod. No. (Apr.)	6,810	17,159	24,236	46,512
" exports, No. (Apr.)	355	1,209	1,943	7,798
Construction—				
Building Permits (May)	$ 5,289,506	$ 12,115,291	$ 18,190,794	$ 50,356,550
Contracts, May	$ 14,186,000	$ 36,895,700	$ 62,706,500	$ 133,144,200
Newsprint—				
Production, tons (Apr.)	176,660	205,888	666,990	741,740
Exports, tons (Apr.)	138,785	152,360	625,793	650,503
Sugar—				
Imports, raw, lbs. (Apr.)	35,447,400	41,059,000	169,840,300	162,437,100
Melt. & ship., lbs.*	64,566,796	81,036,063	207,540,836	251,794,244
Manufactured, lbs.*	58,751,252	76,655,478	§200,078,899	242,192,048
Flour—				
Production, bbls. (April)	893,355	1,058,311	3,740,470	4,344,378
Wheat flour exp., bbls (May)	461,867	481,265	1,801,865	2,174,964
Other Industrial Indices—				
Lumbering: Plank & board exports mill ft. (May)	62.94	80.77	297.39	372.53
Boots & shoes, pr. (Apr.)	1,523,492	1,669,917	5,914,305	5,661,786
Petroleum, imp. crude, gal. (Apr.)	38,565,064	47,303,049	227,511,589	239,770,908
Cotton, imp., raw, lbs. (April)	6,230,000	6,155,000	30,044,000	32,533,000
Rubber, raw, imp., lbs. (Apr.)	3,584,609	4,637,544	17,151,892	19,529,491
Coal, imports, tons (Apr.)	542,398	537,530	2,302,249	2,976,394
Trade—				
Imports (May)	$ 44,353,710	$ 73,457,404	$ 201,296,804	$ 301,390,060
Exports (May)	$ 40,594,404	$ 59,883,245	$ 182,117,221	$ 237,307,082
Wheat exports, bus. (May)	15,543,013	29,521,639	52,348,645	67,108,490
Labor—				
Employment Index (May)	87.5	102.2	....	....
Electric Power—Output—				
M. Kilowatt hours (Apr.)	1,334,328	1,411,090	5,474,624	5,556,356
Finance—				
Failures, No. (Apr.)	190	175	857	781
Failures, Liabilities (Apr.)	$ 3,170,679	$ 3,184,198	$ 14,279,102	$ 15,026,005
Bank Debits† (Apr.)	$ 2,078,906	$ 2,786,354	$ 8,159,024	$ 10,560,003
Bond sales (May)	$ 24,428,871	$ 27,477,027	$ 139,429,091	$ 274,168,114
Insurance sales (May)	$ 30,998,000	$ 41,314,000	$ 177,570,000	$ 215,275,000
Automobile Financing:				
Used cars (May)	$ 1,768,939	$ 2,877,442	$ 5,739,999	$ 10,135,446
New cars (May)	$ 2,025,498	$ 3,439,738	$ 6,020,728	$ 10,536,332

*Four weeks' period, Apr. 24 to May 21. §Jan. 1 to May 21.
†(000's omitted).

NET PRODUCTION DROPPED 18 P.C. BUREAU REPORTS

Electric Power Only Business to Show Increase in 1930

"Net" productivity of all industrial production in Canada in 1930 was $3,216,700,000 a decline of 18.4 per cent from the corresponding figure of 1929 according to figures published by the Dominion Bureau of Statistics. This figure compares with an estimate of $3,299,800,000 made by The Financial Post Business Year Book at the end of 1931. The comparable figure for 1929 was $3,946,600,000.

Although this is a lower figure than in each of the years 1925 to 1929 inclusive, it is 6.6 per cent above 1924 and 14.5 per cent above 1921. Values of farm crops were less than in any year since 1914. Value added by the manufacturing process showed a decline of 11.8 per cent from the level of 1929.

Add Other Workers

These values refer only to the productivity of all branches of production. According to the 1921 census (latest available) approximately 65 per cent of the gainfully employed population of Canada was engaged in these activities. Since the remaining 35 per cent of the gainfully employed population must also be considered as producers in the larger sense of the word, a rough computation of the total productivity of all gainfully employed persons in Canada may be obtained by adding seven-thirteenths to the above totals. For 1930 this gives a figure of $4,949,000,000 as compared with $6,072,000,000 in the previous year and which is the closest approximation available in Canada to total created values of productivity for that year.

An analysis of the figures for "net" production as given in the earlier paragraphs, shows electric power alone to have gained as compared with 1929. Figures follow:

Survey of Industrial Production (In Millions of Dollars)

	1930 $	1929 $
Agriculture	758,792	1,034,130
Forestry	303,145	337,649
Fisheries	47,804	53,518
Trapping	9,876	16,356
Mining	279,874	310,850
Electric power	126,038	122,883
Total primary	1,525,529	1,875,388
Construction	297,047	386,709
Custom & repair	85,200	99,618
Manufacturers	1,761,986	1,997,350
Total secondary	2,144,233	2,483,678
Grand total*	3,216,747	3,946,609

*Excludes duplication.

Immigration Movement Small Between Canada-U. S.

Canadian emigrants to the United States totalled 516 in April, 1932, as compared with 3,201 in April, 1931. For the ten months from July, 1931, to April, 1932, emigrants numbered 6,923 as compared with 41,534 in the comparative ten months of 1930 and 1931.

Persons entering Canada to take up permanent residence from the United States numbered 164 in April, 1932, as compared with 615 in the same month of 1931. The ten months total was 1,473 as compared with 28,788 in the same ten months of the previous years.

Border Cities Report Increased Employment

An increase in automotive employment of 784 enabled the Border Cities to show an improved employment situation in May, the Chamber of Commerce of that community reports. Non-automotive employment was lower for the month by 75, making a net gain of 709. At the end of May, Border Cities reports more men employed than in any year previous to 1928.

Since the low point in October, 1931, no less than 3,650 additional workers have been employed, the total at the end of the month being 13,465 as compared with 12,756 in April and 14,828 in May, 1931. Automotive employment is only 263 less than at the same period a year ago, while non-automotive employment is lower by 1,100 on the same comparison. For the first time "in a long, long while," says the report, Babson's lists Windsor in the group of cities offering the best prospects for retail sales.

Business Briefs

Fixed Value of $4.40 for the pound sterling for special duty purposes has been fixed as effective up to and including Sept. 30, 1932, unless otherwise ordered by competent authority, according to the Department of National Revenue, Ottawa.

Automobile Financing in May showed an increase over April although still nearly 40 per cent below the May, 1931, figures. Total number of cars financed was 9,573 for a total of $3,794,437. The previous month's figures were 7,284 and $2,973,288. A year ago 14,536 cars worth $6,317,000 were financed. New car financings are lower by nearly 48 per cent than a year ago while used car financing is down only 29 per cent in number and 38 per cent in value.

Car Loadings for the week ended June 11, amounted to 43,686 cars, an increase over the previous week's loadings of 1,072 cars. A holiday in the previous week, on June 3, and the haste of the Western farmers to deliver wheat to the elevators in time to collect the Dominion government bonus of 5 cents per bushel, effected the increase. The increase in grain loading was 1,370 cars over the previous week's shipments, and 1,009 cars over shipments during the 23rd week last year. The index number was 70.19 as against 67.49 for the previous week. Loadings were the highest for the year to date.

Wheat Clearances overseas for the week ended June 9, were 4,111,734 bushels, as compared with 5,173,206 bushels the week before. For the same week in 1931 clearances were 4,729,769 bushels. During the ten months ending May, of the crop year, total exports of wheat and wheat flour amounted to 166,974,324 bushels valued at $103,846,682, compared with 221,542,176 bushels at $164,938,939 in the corresponding ten months of the previous crop year.

Wheat Stocks of Canadian grain in Canadian and U. S. positions dropped 4,715,000 bushels in the week ending June 10. Total stocks are now 139,615,000 bushels as compared with 121,391,400 in the same week of 1931.

Prices Decline In 17 Out of 20 Countries

In April, 1932, world wholesale commodity prices were lower than in the preceding month in 17 of 20 foreign countries, as compared with price declines in 13 countries from February to March. The greatest drops, ranging from 3 to 4 per cent, occurred in Egypt, Finland and Japan.

Price decreases of 2 to 3 per cent were registered in British India, the Netherlands and the United Kingdom, and recessions of 1 to 2 per cent were shown in Belgium, Canada, Denmark, France, Germany, Italy and Norway.

Sharp rises in prices of animal and vegetable products caused the price level in Poland to advance 2.2 per cent from March to April.

As compared with the previous month a larger number of commodity groups were lower in April than in March. Of the 157 groups of products, 106 declined in price from March to April, 26 advanced, and 25 did not change. Forty-seven of the price drops exceeded 3 per cent, while 17 of the 26 group price advances were less than 2 per cent.

Comparative figures for each country for which data is available are as follows:

Wholesale Commodity Prices

Per cent changes, April, 1932, as compared with—

	April 1930	April 1931	Mar. 1932
United States	—27.2	—12.4	—0.3
Austria	—5.9	+3.7	—0.9
Belgium	—30.6	—17.3	—1.6
British India	—25.2	—6.1	—2.1
Canada	—25.4	—8.2	—1.0
Czechoslovakia	—16.3	—8.9	—0.7
Denmark	—14.8	0	—1.7
Egypt	—10.9	—10.0	—3.2
Finland	—3.3	+4.7	—3.3
France	—19.9	—18.7	—1.1
Germany	—22.3	—13.5	—1.4
Italy	—21.5	—7.6	—1.2
Japan	—23.6	—6.9	—3.7
Latvia	—16.9	+2.1	—0.2
Netherlands	—34.4	—21.6	—2.4
Norway	—14.3	—2.4	—1.6
Peru	—8.9	—8.4	—0.6
Poland	—22.8	—11.5	+2.2
Spain	+5.2	+5.3	+0.6
Sweden	—12.1	—2.7	0
United Kingdom	—17.2	—3.1	—2.3

Canada's Foreign Trade Shows Seasonal Increase

Seasonal increases in both imports and exports are shown in Canadian trade returns for May. Imports in the month total $44,361,000 as compared with $29,794,000 in April and $73,457,000 in May, 1931. Domestic exports are $40,594,000 as against $26,976,000 the previous month and $59,833,000 in May, 1931. As compared with a year ago imports are down 39 per cent and exports (domestic) are lower by 32 per cent.

Trade balance for the month was slightly "unfavorable" to the extent of $2,959,000 as compared with a corresponding excess of imports over exports of $12,600,000 in May, 1931; $22,000,000 in May, 1930, and $16,200,000 in May, 1929. For the first two months of the current fiscal year the unfavorable balance has amounted to $5,298,000 which compares with an average unfavorable balance of seven times that amount in the past three years.

Edmonton Bldg. Permits Well Above 1931 Total

Edmonton building permits for the five months ended May 31, 1932, totalled $591,955 as compared with $491,790 for the same period of 1931. For May, 123 permits issued amounted to $346,930 as compared with 121 permits totalling $190,830 issued in May, 1931.

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DIVIDEND NOTICES

CANADA BREAD COMPANY LIMITED

DIVIDEND NOTICE

First Preference Shares

NOTICE IS HEREBY GIVEN that a dividend of 1¾% has been declared upon the First Preference Shares of the Company, payment of same to be made on July 2nd, 1932, to shareholders of record at the close of business, June 15th, 1932. The transfer books of the Company will be closed from June 16th to 30th, 1932, both days inclusive.

By Order of the Board.

W. S. ANTLIFF, C.A.,
Secretary-Treasurer.

Toronto, Ont., June 14th, 1932.

National Steel Car Corporation Limited

Notice of Dividend

Notice is hereby given that a dividend of twenty cents (20c) per share has been declared, payable July 2nd, 1932, to shareholders of record, at the close of business, June 23rd, 1932.

By order of the Board,

CHAS. W. ADAM,
Secretary.

Hamilton, Ontario,
June 15th, 1932.

Chartered Trust and Executor Company

Dividend Notice

Notice is hereby given that the regular quarterly dividend of 1½% has been declared payable on the first day of July, 1932, to shareholders of record at the close of business June 25, 1932.

By order of the board,

E. W. McNEILL,
Secretary.

Provincial Paper Ltd.

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable July 2nd, 1932, to Shareholders of record as at close of business June 15th, 1932.

W. S. BARBER,
Secretary-Treasurer.

THE DOMINION BANK

Notice is hereby given that a Dividend of three per cent upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1932, being at the rate of twelve per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 2nd day of July, 1932, to shareholders of record of the 20th June, 1932.

By order of the Board.

C. A. BOGERT,
General Manager.

28th May, 1932.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given, that a Dividend of Three per cent., being at the rate of Twelve per cent. per annum, upon the paid up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 1st July, 1932, to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board.

WALTER GILLESPIE,
Manager.

STANDARD STEEL CONSTRUCTION COMPANY LIMITED

Notice is hereby given that a quarterly dividend of 75 cents per share has been declared on the Class "A" Cumulative Redeemable Preference Shares of Standard Steel Construction Company, Limited, payable on the 1st day of July, 1932, to shareholders of record on the 15th day of June, 1932.

By order of the Board.

J. J. BREEN,
Secretary.

The B. Greening Wire Company Limited

Preference Dividend No. 32

Notice is hereby given that a quarterly dividend of one and three-quarters per cent on the Preferred Shares of the Company has been declared payable July 1st, 1932, to shareholders of record June 15th, 1932.

F. J. MAW,
Secretary.

Hamilton, Ont., June 14th, 1932.

64th Quarterly Dividend

Notice is hereby given that a dividend of Thirty-eight Cents per share (being at the rate of One Dollar and Fifty Cents per annum) on the NEW no-par value Common Shares of the Company presently issued and paid-up for Quarter ending June 30th, 1932, has this day been declared to shareholders of record, June 30th, 1932, on the Montreal and London, England, registers.

Dividend cheques will be mailed to registered shareholders July 30th, 1932.

By Order of the Board,

G. R. WHATLEY,
Secretary.

Montreal, June 20th, 1932.

Montreal Light Heat & Power
CONSOLIDATED

Owned by 60,000 shareholders, Montreal Light Heat & Power comprises the largest group of customer-owners possessed by any public utility company in Canada

NOTICES

Canadian, age 44, at present unattached, wishes to represent Eastern manufacturer for province of British Columbia. Twenty eight years' general business experience at home and abroad. If necessary, in a position to finance desirable agency. Bank and other references upon request.

A. W. McCALLUM,
1353 Craigdarroch Rd.,
Victoria, B.C.

CREDIT MANAGER WANTED for Ontario

Montreal manufacturer wants Credit Manager for Ontario who will also act as comptroller, and reside in Hamilton. Write full particulars to Box 65, The Financial Post, 1070 Bleury Street, Montreal. Your correspondence confidential.

SUN LIFE ASSURANCE COMPANY OF CANADA

Head Office: Montreal

Stock Transfer Department

Notice is hereby given that the books of the Company will be closed to transfers of stock from the 16th to the 30th of June, 1932, both dates inclusive, for the preparation of the dividend to become due and payable on the 1st day of July, 1932, to shareholders of record at the close of business on June 15th.

By Order of the Board,

H. W. K. HALE,
Secretary.

DIVIDEND NOTICES

George Weston, Limited

Common Dividend Number 10

NOTICE IS HEREBY GIVEN that a quarterly dividend (No. 10) of Twenty-Five cents per share on the no par value Common Capital Stock of this Company (being at the yearly rate of One Dollar per share) has been declared for the quarter ending 30th June, 1932. This dividend is payable on and after July 2nd, 1932, to Common Shareholders of record at the close of business on the 20th day of June, 1932.

CHARLES W. KERR,
Secretary.

Toronto, 15th June, 1932.

Union Trust Company LIMITED

QUARTERLY DIVIDEND NO. 100.

Notice is hereby given that a dividend of 1¼% has been declared upon the Capital Stock of this Company, payable July 2nd, 1932, for the three months ending June 30th, 1932.

By order of the Board of Directors.

N. S. WATT,
Secretary.

Toronto, June 15th, 1932.

THE CANADIAN LIGHT & POWER COMPANY

Notice is hereby given that a dividend of One-half of One per cent (½ of 1%) has been declared on the outstanding shares of the Company for the half year ending June 30th, payable July 15th, to shareholders of record June 30th, 1932.

By Order of the Board,

JAS. WILSON,
Secretary.

Montreal, June 16, 1932.

UNITED SECURITIES LIMITED

Notice is hereby given that a dividend of Fifty cents (50c) per share has been declared on the outstanding common shares of the Company for the quarter ending June 30th, payable July 15th, to shareholders of record June 30th, 1932.

By Order of the Board,

JAMES WILSON,
Secretary-Treasurer.

Montreal, June 16, 1932.

Highland Dairy, Limited

PREFERENCE DIVIDEND NO. 10

Notice is hereby given that a Dividend of $1.75 per share for the three-month period ending June 30th, 1932, being at the rate of 7% per annum, has been declared on the outstanding Preference Shares of the Company, payable on July 2nd, 1932, to shareholders of record on the register at the close of business on the 25th day of June, 1932.

By order of the Board.

M. MAYNE KENNEDY,
Secretary.

Toronto, Ontario, June 20, 1932.

Canadian General Investments Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of Ten cents (10c) per share on the paid-up capital stock of the Company has been declared for the quarter ending June 30th, 1932, payable July 2nd, 1932, to shareholders of record June 15th, 1932.

Holders of Share Warrants will present Coupon No. 16 at the Main Office of the Bank of Montreal in Victoria, Vancouver, Calgary, Winnipeg, Montreal, Halifax, Saint John, or at the King and Yonge Streets Branch, Toronto, where payment will be made at par.

By Order of the Board.

E. M. STRAIN,
Secretary.

The Real Estate Loan Company of Canada, Limited

Notice is hereby given that a Dividend at the rate of three and one-half per cent for the half year ending 30th inst. has been declared upon the Capital Stock of the Company, and that the same will be payable at the offices of the Company on and after the 2nd July, 1932, to Shareholders of Record of 18th June, 1932.

By order of the Board,

H. W. MICKLE,
Managing Director.

Toronto, 17th June, 1932.

Another New Industry

The Toronto Industrial Commission announces the completion of negotiations resulting in arrangements whereby the products of the Automatic Burner Corporation of Chicago—oil burners for cooking and heating purposes—will be manufactured in Toronto for the Canadian market by the S. F. Bowser Company, Limited at 66 Fraser Avenue.

Sauce for Canadians

For the past forty years Patterson's Worcestershire sauce has been imported into Canada from Glasgow, but now arrangements have been made with A. G. Snowden & Co. for its manufacture in Montreal, in the Manufacturers' Terminal Building at Hochelaga.

IMPERIAL CONFERENCE GETS FIRST SETBACK AS TEXTILE DEAL FAILS

(Continued from page 1)

It was also suggested that a single ad valorem tariff be instituted, the specific duty per pound, the currency duty and the right of appraising values to be allowed to lapse.

The Canadian group found the concrete proposals of the British unacceptable.

Look for Another Outlet

After reaching this stumbling block the conference decided to examine in greater detail the amount of trade which it might be possible to divert from foreign to United Kingdom manufacturers. The Canadian group submitted that of the total market for cottons, approximately 125,000,000 yards, under normal conditions, can be supplied without affecting the present production of Canadian mills. Official figures were quoted to show that Great Britain is presently supplying slightly over 50 per cent of the total importations of manufactured cotton goods.

It was submitted by the Canadian delegates that annual imports of some 2,000,000 lbs. of mercerized yarns at present being obtained from the United States duty free might be turned to British account by setting up a preferential tariff, also some 15,000,000 yards of grey cloth now secured from the States might be switched to the United Kingdom by the same method. The British delegation was firmly convinced that the diversion of trade could never in any circumstances reach 50 per cent of the estimates suggested by the Canadian side. It regards the proposal as inadequate inasmuch as the additional trade involved would amount only to 6 per cent of the objectives of the British delegation in the case of cloth and 20 per cent in the case of yarn.

Following are the official reports of the two groups, which clearly show that the textile interests of Canada and the United Kingdom hold divergent views:

BRITISH CASE

The British side submitted at the outset, as a basis for the meetings, that so far as concerned the market for Cotton Goods in Canada, the problem was by what tariff arrangement or what arrangements of a voluntary character as between the two industries, can a market be secured, in the first place for the profitable employment of the existing Canadian cotton industry, and, in the second place, for the United Kingdom cotton industry in preference to all foreign industries. (N.B. The British delegation intend throughout to include fabric of artificial silk and cotton and artificial silk fabrics in the term "cotton goods.")

The Canadian side accepted that submission as expressing a policy which they were prepared to support.

British Make Suggestion

The British side proceeded to suggest that the way to give effect to this policy was to revise the Canadian tariff so as to introduce:

a. Categories of selected cotton goods with free or low duty entry for goods of United Kingdom origin and entry at substantially higher rates for the same foreign goods.
b. Categories which should comprise all the remaining items of cotton products, on which the duties on U. K. goods should be considerably lower than is the case in most instances at present, with a substantially higher rate on similar foreign goods.

Want Ad Valorem Duty

The British Delegation also suggested that, after the Ottawa Conference, a single ad valorem tariff should be instituted—the specific duty per lb., the currency duty and the right of appraising values to be allowed to lapse. They contended that U. K. trade was greatly handicapped by the complexity of the present tariff arrangements.

Canadian Side Opposed

The Canadian side found the concrete proposals of the British unacceptable. They believed the proposals did not interpret the principals of the broad policy on which they had agreed, for the reason that the rates suggested under categories "a" and "b" quoted above, as well as the cancellation of the specific duties, currency duty and right of appraising values, would make it impossible for the Canadian mills to compete with British laid down prices, on practically the whole range of their production.

The Canadian industry fully stated this view to the conference, and contended that without exhaustive studies no common basis of understanding as to the relative protection necessary to equalize their respective costs, could be arrived at. The Canadian industry further pointed out that under present price levels, and in spite of what looked perhaps like high specific and ad valorem rates, their actual protection in cents per lb. or per yard, was less today than under previous tariffs.

The Canadian representatives felt that the best way to secure for England that larger share of the import trade which it was mutually desired they should have was to rearrange the duties and drawback so as to encourage the purchase of British instead of foreign goods.

Examine Trade Volume

The conference then decided to examine in greater detail the amount of trade which it might be possible to divert from foreign to U. K. suppliers.

Discussion and enquiry showed that there were three principal groups, viz.:

a. Certain yarns, at present admitted free of duty both from foreign countries and U. K., which if subjected to a suitable duty in the case of the foreign article might pass to the U. K.
b. Certain grey cloth, at present imported for use by Canadian industries by whom the cloth was eventually re-exported in one form or another. A rebate of 99 per cent of the duty which has been paid is now allowed on re-exportation and it was suggested that the trade might be diverted to U. K. if the rebate allowed on foreign cloth was reduced to 50 per cent of the duties paid.
c. Certain specialty finished products of limited interest to the Canadian mills in regard to which low duty entry might be conceded to U. K. fabrics, providing the Canadian Government were able and willing to specify them separately in the tariff schedules.

The yarn trade involved amounted to a maximum of 2 million lbs. The grey cloth imports referred to had not exceeded 15 million yards in a normal year. No statistics were on record as to the volume of the trade in the specialty articles but the British delegation put the maximum figure in good times at 1 million yards.

The import trade of which the British delegation considered the major share should pass to the U. K. under the regime of Imperial preference had been set in round figures as 125 million yards of cloth and 5 million lbs. of yarn under normal trade conditions.

Only Get Share

The British Delegation examined the figures of possible diversion and came to the conclusion that it would be unreasonable to count upon achieving anything approaching the above estimates of 16 million yards of cloth and 2 million lbs. of yarn. In the first place, an examination of price levels showed that American prices are so substantially below costs of production either in Canada or England as to render the alteration of drawback totally ineffective as a means of diverting the trade in grey cloth. Even if this were not so, experience has shown that no tariff barrier is ever 100 per cent effective in practice. Furthermore, should price levels in all three countries be brought to an economic basis the additional barriers against foreign cloth would divert trade to the Canadian mills at least as much as to the U. K. industry.

For these reasons the British delegation is firmly convinced that the diversion of trade could never in any circumstances reach fifty per cent of the estimates suggested by the Canadian side and even on this maximum assumption the inadequacy of the proposals is made clear when it is realized that the additional trade involved would amount only to 6 per cent of the objectives of the British delegation in the case of cloth and 20 per cent in the case of yarn.

Costs of Production

Simultaneously, the question of costs of production had been under joint consideration.

The British side had taken the line that they regarded present levels of protection in Canada as excessive, and beyond what was justified by differences in costs. The Canadian side on the other hand, felt that cost differences were such as to entirely justify the present tariff.

The British delegation therefore accepted an invitation to visit representative Canadian plants. They were very greatly impressed with the efficiency of the plant and the modern methods of production of the mills they visited and wish to go on record to that effect. The Canadian companies furnished the British delegation with actual pay sheets and every other detail of costings with the utmost frankness—an attitude the British sincerely appreciated. They themselves being obliged to work from such details as they had been able to bring with them, were unable to go quite as far but they gave full information as to wage-rates and number of workers in each grade employed to produce given quantities of yarn or cloth.

All these facts were studied in detail at meetings which lasted for many hours. Agreement on a figure to represent the differential of production costs was not reached. The British delegation fear that the presence of innumerable variable factors is an almost insuperable barrier to a precise reconciliation of the figures, notwithstanding complete goodwill on both sides. On this occasion, time was lacking to prolong the attempt, but the U. K. industry would willingly receive a single representative or a delegation from Canada to go into the matter further with an equally full disclosure of British data, if such a course of action was desired.

Meanwhile, the British delegation have considered the evidence now in their hands on the assumption that it may remain the policy of Canada to equate such differences as exist mainly in labor costs after taking volume of production into account, and differences of capital necessarily employed.

Their conclusion is that on such a basis justification exists for tariffs somewhat higher than those they came prepared to advocate, but nevertheless materially below the rates now in force.

Come to Deadlock

The conference has been unable to get beyond this point, since the British delegation find the proposals for diversion of foreign trade inadequate and the Canadian industry is unable to contemplate the single ad valorem tariff at reduced levels which the British desire. It therefore remains for the Canadian government to determine what offers can be made to the British government at the Ottawa conference in regard to cotton goods. The British government will presumably consider such offers, along with proposals affecting other industries, and compare them with the preferences granted to Canadian products in the U. K market. In thus leaving the question in the hands of the governments who are ultimately responsible the British delegation wish to make clear that in their opinion it has been a great advantage to all concerned to have explored the cotton trade position in advance of the conference. It would be idle to deny that they regret the inability of the two industries to approximate more closely to agreed conclusions. They are nevertheless sincerely appreciative of the frank way in which they have been received in Canada.

John H. Grey, chairman of the British delegation, made the following comment:

"It is perhaps unfortunate that the outcome of our conversations should thus be presented to the public in two one-sided statements which in many respects conflict with one another. This makes it much more difficult for the position to be properly judged and that is regretable in view of the far-reaching importance of the issues which are at stake. It is unnecessary for me to say that the British representatives cannot accept as representing the real position the figures of wages costs and importations which appear in the Canadian statement nor the conclusions based on them. So far as their own memorandum is concerned the British delegation have weighed every fact which it contains and are fully content to stand by it. The whole issue remains one which can only be decided finally by the two governments and we do not propose to discuss the question further in public until the governments have had time to receive and consider our reports."

CANADIAN CASE

The two delegations were in complete agreement on the broad statements of Empire economic policy presented by the British delegates at the opening of the conference, and it was the wish of both groups that means might be found for an equitable and mutually satisfactory division of the market between the British and Canadian industries.

The market situation in Canada, as presented to the conference by the British Delegation, is this—that of the total market for cotton goods, approximately 125 million yards can, under normal conditions, be supplied by importations without affecting the present production of Canadian Mills. According to the official trade statistics, Great Britain is presently supplying slightly over fifty per cent of the total importations of manufactured cotton goods. The deliberations therefore were concentrated upon measures for effecting a diversion of the balance of importations to British account. Had this balance of importations consisted of goods not already being made in Canadian Mills the problem would have been a very simple one. But taking into account that these goods are largely of a class and kind being manufactured in a large way in Canada, it necessitated careful consideration of any proposals which might facilitate the freer entry of such goods into Canada lest inroads should be thereby afforded into the present production of the same classes of goods manufactured by Canadian Mills.

British Proposals Outlined

The proposal set forth in the prepared briefs presented by the U. K. delegates for this diversion entailed (1) an extensive readjustment of the Canadian cotton tariff schedule to provide for free entry of a selected list of imports from the United Kingdom, which would absolutely remove all possibility of domestic manufacture of something like one-third to one-half of the lines at present being produced in Canadian Mills, and (2) drastic reduction of the tariffs on all other cotton goods from the United Kingdom, with adjustments of the General Tariff so as to remove foreign competition. They also proposed that imports from the United Kingdom should be completely exempt from the special currency, dumping and appraisal regulations, and from excise tax, all of which are at present in force in this country.

The Canadian representatives pointed out that the tariff proposal put forward by the U. K. delegates would speedily wipe out the entire Canadian cotton industry. The proposed free list would affect from one-third to one-half of the present production of the Canadian mills, removing all tariff protection from that large portion of the industry, while the low tariff rates proposed on the balance of the list were insufficient to compensate for the difference in wages costs alone as between Canada and Great Britain.

Leave to Ottawa

The Canadian cotton industry delegates felt that consideration of existing Canadian legislation respecting depreciated currency, fixed valuation and anti-dumping penalties, was beyond the competence of these meetings. They held that these are matters of governmental policy; that they bear upon the entire range of imported commodities, of which cotton is only one; and that they are subjects for formal discussion at the Economic Conference by representatives of the various Empire Governments, rather than for unofficial pre-conference discussions by representatives of United Kingdom and Canadian industries.

They also pointed out that to value imports from the United Kingdom for duty purposes at the current value of the British pound would, under the proposed tariff, be literally the equivalent of offering a bonus on importations of cotton goods from that source.

Canadians Present Case

As an alternative, the Canadian delegates proposed measures which would, in their opinion, divert present importations from foreign countries to Great Britain without jeopardizing the position of the Canadian mills in what both sides admitted was their own domestic field. These measures were based upon a careful analysis of the yardage at present being imported from foreign sources. It was pointed out by the Canadian delegates that some 15 million yards of grey cloth are now being imported from the United States for re-export in the form of further manufactured goods on which full rebate of duty is obtained. The possibilities of turning this trade to British account either (a) through imposition of an Empire content qualification, or (b) through a system of preferential drawbacks were clearly indicated by the Canadian Delegation. It was also suggested that other categories of imports can be turned to British account through the setting up of a more highly selective tariff, the only limitation being considerations of practical customs administration. The cumulative effect of these proposals would be to increase the importations from Lancashire to at least 60 million yards out of total average importations of approximately 85 million yards annually over the past three years.

Also it was suggested by the Canadian Delegates that the annual importations of some two million pounds of mercerized yarns at present being obtained from the United States duty free might be turned to British account through setting up a preferential tariff thereby increasing the British proportion of the total yarn importations from 30 per cent to 70 per cent.

Held to Demands

Admitting their original tariff and customs proposals to be excessive, the United Kingdom Delegates doubted the feasibility of the Canadian proposals. They held to their demands for tariff revision, believing this to be the only means by which increased trade for Great Britain in Canada could be assured, although their knowledge of Canadian market trading conditions, and the opportunity afforded them to study these conditions during their short stay in Canada did not permit any complete analysis of the Canadian suggestions. Such limited investigations as were made by the United Kingdom Delegates in the time at their disposal demonstrated the extent and nature of the possibilities afforded thereby. Despite the investigations the British Delegates did not consider this market at all commensurate with their preconceived ideas of obtaining a large share of the total Canadian market. Since they felt that a general lowering of the Canadian tariffs on British goods was the only practical means of obtaining their objective, concurrent investigations were made with a view to determining the relative levels of manufacturing costs in Canada and Great Britain.

Canadian Wages Higher

Analysis of labor statistics in the Canadian and British Cotton industries, on the basis of official Canadian Government and British ministry of labor statistics, showed average weekly wages of all employees in the Canadian Cotton industry to be 87 per cent higher than those in Great Britain. It is only fair to state that the wage figures first put forward by the U. K. Delegation were considerably higher than those published in the British "Ministry of Labor Gazette," and therefore compared more favorably with the official Canadian Government statistics of wages in Canadian Cotton mills. However, since the official Canadian figures are probably on understatement as they do not take short time into consideration, the relative position between the two industries conforms with the comparative wage analysis disclosed in the official statistics.

The manufacturing efficiency of Canadian cotton mills was readily admitted by the United Kingdom delegates, who had occasion to visit several Canadian mills and expressed their approval of Canadian manufacturing methods.

Have Complete Figures

Further discussion and consideration of the other manufacturing costs, disclosed in fullest detail by the Canadian mills, served to widen further the spread between British and Canadian costs. The United Kingdom delegates were openly complimentary as to the completeness and accuracy of the Canadian statistical and costing data. They regretted that, far from home as they were they could not make available similar complete detailed figures on British costs. This precluded the possibility of making such exact cost comparisons as would be necessary in any further consideration of the Canadian tariff position.

Consideration was given to the relative importance of the Canadian market in regard to the British situation. The total annual productive capacity of the cotton mills of the United Kingdom is estimated at 8 billion yards, so that the whole Canadian market for manufactured cotton goods represents less than 5 per cent of this production. The full demands of the United Kingdom delegates represent less than 1 per cent of the cotton export trade capacity of the United Kingdom. It was therefore maintained that the proportionate damage which might be done to the Canadian cotton industry in relation to the relatively small benefits which would accrue to the British cotton industry made it imperative that every consideration should be given to the maintenance of the Canadian position.

Report to Government

The United Kingdom and Canadian delegates propose to make exhaustive reports to their respective Governments covering the entire discussions. They believe that the conferences of the last fortnight have been of the greatest assistance to them in giving to both information which will be the basis of wiser counsel than would otherwise have been possible. Throughout the discussions have been of a most friendly nature and whatever may be the immediate outcome of the visit to Canada of the British Cotton delegates, we are sure that through our joint efforts a foundation of good feeling has been laid out of which developments of great and increasing value both to Britain and to Canada will flow in the coming years.

Imperial Delegates Plan Visit Shawinigan Falls

From Our Own Correspondent

MONTREAL—Arrangements have been made for a specially conducted trip to Shawinigan Falls by delegates at the Imperial Conference. Within recent years this city has developed into an important industrial area with a wide diversification of products. Details of the programme for the delegates' entertainment while in Shawinigan Falls are being discussed.

Silverwood Net Higher in 1931 Cash Improved

Silverwood's Dairies Ltd. handled an increased unit volume of business and added 10,000 new customers during the year ended March 31, 1932, but dollar volume of business showed some decline. Through consolidation of operations and economies effected net profit was increased and it is anticipated that the annual statement, now in course of preparation will show earnings of approximately $10 per share on the 7 per cent preferred stock after substantial depreciation reserve and other write-offs.

Working capital position has been strengthened during the past year and bank loans have been reduced by some $200,000. Passing of the class A and common dividend in the current year has further enabled the company to improve its position. The provision for depreciation in the past year will be over $300,000. Income tax provision is up to $45,000 from $41,000.

In May the employees of the company sold $124,000 of 6 per cent collateral trust debentures, series A, due May 15, 1942, to customers at par and from the proceeds of this issue mortgages on certain of the company's plants were retired. The debentures are secured by $3,842,350 of preferred and common stocks of the company's subsidiaries and a floating charge on other assets. From earnings the company has made some reduction in the funded debt outstanding which was shown at $252,000 at September 27, 1930.

Lawyers Dig Into Problems Of George Reed

From Our Own Correspondent

MONTREAL.—Creditors of George W. Reed Co., subsidiary of Corporate Steel Products, in liquidation, have provided funds to allow furtherance of legal work with a view to establishing the status of the Reed company. Lawyers are now working on the case whose chief difficulty lies in the fact that Corporate Steel Products owns all the Reed shares but Western Steel Products, subsidiary of Corporate Steel, owns the plant and property.

At the moment the property is being operated by the National Trust Co. as receiver and manager for the bondholders of Western Steel Products. It is understood that considerable difficulties face the Reed company since the decline in constructional activity has restricted sale of the company's products.

Western Steel Products operates other plants at Toronto, Winnipeg, Calgary, Edmonton, Victoria, Vancouver, Regina and Saskatoon. Investment interest in the company is confined to $1,121,200 of 6 per cent first mortgage bonds and $1,100,000 of 6½ per cent preferred stock.

Can. International Paper Officers Are Re-elected

From Our Own Correspondent

MONTREAL.—Officers and directors of Canadian International Paper Co. were re-elected without change at the annual general meeting. The gathering was routine in character. The financial statement of Canadian International Paper Co. is expected to be made public shortly.

Bondholders' Protective Committee

Abitibi Power & Paper Company, Limited

First Mortgage Gold Bonds Series A, 5%, Due 1953

It has been announced by the Abitibi Power & Paper Company, Limited, that "For the present and until pending arrangements regarding one of the Company's subsidiaries have been completed, the directors do not think it advisable to pay the bond interest due June 1st." The interest was not paid on June 1. Therefore it is necessary that holders of the Bonds unite for the protection of their interests.

The undersigned have organized as a Bondholders' Protective Committee. Holders of the Bonds are urged promptly to deposit their Bonds under a Deposit Agreement dated as of June 10, 1932, copies of which may be obtained from any of the Depositaries or Sub-Depositaries listed below or from the Secretary of the Committee.

Bonds may be deposited with any of the Depositaries or Sub-Depositaries and should be accompanied by all interest coupons maturing on and after June 1, 1932. Each Depositor should advise the Depositary or Sub-Depositary with which he deposits his Bonds as to the name in which the Certificate of Deposit is to be issued, the address to which the Certificate of Deposit is to be sent, and the address to which notices are to be sent. Certificates of Deposit will be issued for deposited Bonds.

The Deposit Agreement provides that Bonds may be withdrawn without cost or expense, at any time within a period of thirty days commencing on the date of the first publication of notice of the adoption by the Committee of any plan of reorganization.

Bonds should be deposited promptly in order that concerted action may be taken on behalf and in the interest of the Bondholders who become parties to the Deposit Agreement. The Secretary of the Committee will be glad to answer inquiries.

June 16, 1932.

Secretary:

FREDERICK G. CURRY,
Room 611 Royal Bank Building, Montreal, Canada
22 William Street, New York, N. Y.

Counsel:

BLAKE, LASH, ANGLIN AND CASSELS
25 King Street West, Toronto, Canada

LAFLEUR, MacDOUGALL, MACFARLANE AND BARCLAY
507 Place d'Armes, Montreal, Canada

SHEARMAN & STERLING
53 Wall Street, New York, N. Y.

Bondholders' Protective Committee:

CHARLES M. BOWMAN
Chairman of the Board, The Mutual Life Assurance Company of Canada, Waterloo, Ontario.
ANDREW FLEMING
The Hartt & Adair Coal Company, Limited, Montreal.
JOHN LESLIE
Vice President, Canadian Pacific Railway Company, Montreal.
EDWARD E. REID
Managing Director, The London Life Insurance Company, London, Ont.
MILTON C. CROSS
The National City Company, New York.
STANTON GRIFFIS
Hemphill, Noyes & Company, New York.
HAROLD P. JANISCH
Vice President, National Shawmut Bank, Boston
GEORGE W. PEARSON
Vice President, Continental Illinois Company, Chicago.
JOSEPH P. RIPLEY, *Chairman*
Vice President, The National City Company, New York

Preferred Stockholders' Protective Committee

Abitibi Power & Paper Company, Limited

7% Cumulative Preferred Stock
6% Cumulative Preferred Stock

Abitibi Power & Paper Company, Limited is in arrears as to four quarterly dividends on its 6% Cumulative Preferred Stock, the last dividend on such stock having been paid on April 20, 1931. Its 7% Cumulative Preferred Stock is also in arrears as to two quarterly dividends, the last payment on such stock having been made on October 1, 1931. The Abitibi Power & Paper Company, Limited has recently announced with respect to its First Mortgage Gold Bonds Series A, 5%, due 1953, that "For the present and until pending arrangements regarding one of the Company's subsidiaries have been completed, the directors do not think it advisable to pay the bond interest due June 1st." Interest was not paid on that date. Under the circumstances it appears essential that holders of the 7% Cumulative Preferred Stock and 6% Cumulative Preferred Stock unite for their protection.

A Preferred Stockholders' Protective Committee to represent the interests of the holders of these issues has been formed and urges such holders to deposit their certificates of stock promptly under a Deposit Agreement dated as of June 10, 1932, copies of which may be obtained from any of the Depositaries or Sub-Depositaries listed below or from the Secretary of the Committee.

Certificates of Preferred Stock may be deposited with any Depositary or Sub-Depositary. Forms of the letter of transmittal and deposit to be used in making deposits with full information as to the method of making deposits may be obtained from any Depositary or Sub-Depositary. Registered Certificates of Deposit, interchangeably transferable in New York, Montreal and Toronto, will be issued in respect of all stock deposited.

Under the Deposit Agreement stock may be withdrawn from deposit without cost or expense to the Depositor at any time within a period of thirty days commencing on the date of the first publication of notice of adoption by the Committee of any plan of reorganization or readjustment or compromise or arrangement.

It is important that the Certificates of Stock should be deposited promptly in order that concerted action may be taken on behalf and in the interest of stockholders who become parties to the Deposit Agreement. The Secretary will be glad to answer inquiries.

June 16, 1932.

Secretary:

JAMES P. ANGUS,
511 Place d'Armes, Montreal, Canada
or 22 William Street, New York

Counsel:

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DAVIS POLK WARDWELL GARDINER & REED
15 Broad Street, New York, N. Y.

Preferred Stockholders' Protective Committee:

LIEUT.-COL. HERBERT MOLSON,
C.M.G., M.C., Chairman
President Molson's Brewery Limited, Montreal
J. ARMITAGE EWING, K.C.
Ewing & McFadden, Barristers, Montreal
WILLIAM HASTIE
Assistant to the President, Canada Life Assurance Company, Toronto.
ALLEN G. HOYT
Vice President City Bank Farmers Trust Company, New York.
J. COLIN KEMP
The National City Company, Limited, Montreal

Depositaries for Bonds and Preferred Stock:

MONTREAL TRUST COMPANY . . . . . . { 511 Place d'Armes, Montreal, Canada
61 Yonge Street, Toronto, Canada
CITY BANK FARMERS TRUST COMPANY . . . 22 William Street, New York, N. Y.

Sub-Depositaries:

CONTINENTAL ILLINOIS BANK AND TRUST COMPANY, 231 South La Salle St., Chicago, Ill.
BANK OF AMERICA, N. T. & S. A. . . . . . 1 Powell Street, San Francisco, California
MONTREAL TRUST COMPANY . . . . . . 2 Princess Street, London, E. C. 2, England
THE NATIONAL CITY BANK OF NEW YORK 36 Bishopsgate, London, E. C. 2, England

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Steel of Canada

Will you please let me know how the earnings of the Steel Co. of Canada are holding up. From the latest available information are they making their dividend on the common stock? Also what were the earnings for the last fiscal year? What is the share value of the assets after deducting the liabilities?

Monthly government reports on the production of iron and steel in Canada do not indicate that the steel industry is making much progress this year. Last year Steel Co. of Canada earned 31 cents a share on its common stock as against dividend requirements of $1.75. Accordingly it is unlikely that earnings this year are sufficient to cover the dividend on the junior securities.

The last balance sheet of the Steel Co. of Canada as at December 31, 1931, showed a book value of $10,379 on each $1,000 par value bond, $160.18 on each $25 par value preference share and $76.36 on each share of common stock.

Canadian Hydro

I am holding some stocks of Canadian Hydro-Electric Corp., of Ottawa. It is the 6 per cent cumulative first preferred stock. I bought it at 98 and it is now down around 31. I have just had a statement showing that they have earned three times the dividend requirements and I cannot understand how the stock is dropping to its present price. Will you kindly give me an opinion on same?

It is a difficult matter to give you any definite answer on your question relating to the present low price of the first preferred stock of Canadian Hydro-Electric Corp. Probably one of the greatest contributing factors is that there is no market support to the stock. There is outstanding $25,000,000 of this issue, and with financial conditions as they are, it is virtually impossible for any organization to attempt to hold up the market on the stock. Consequently interests identified with Canadian Hydro-Electric have not attempted to give any market support.

At the same time, there is a general lack of knowledge on the relationship existing between Canadian Hydro-Electric Corp. and the various International properties. This has given rise to a certain amount of mistrust which undoubtedly has brought on selling. A feeling exists that although Canadian Hydro-Electric Corp. has developed into a substantial earner, inter-company transactions might be made which would weaken the financial and operating position of Canadian Hydro-Electric. Examination of the set-up of International Paper and Power Co., however, does not lead to this belief. Canadian Hydro-Electric is a separate and distinct entity and its contracts with International Paper are as legally binding as if made with an outside corporation.

The financial position, earning power and operations of Canadian Hydro-Electric Corp. would seem to warrant a higher price for the first preferred stock, but in view of the two factors outlined above, there is no buying support.

Canada Cement

I would be pleased if you would give me some idea of the present outlook for Canada Cement common.

Immediate outlook for Canada Cement Co. is somewhat indefinite at present. Judging by preliminary figures on the production of cement, it is to be expected that earnings of Canada Cement Co. will not be as large in 1932 as was the case in 1931.

Over the last two or three years the management of Canada Cement have made substantial outlays on capital account. Practically all of the plants are now working on a wet process, which is expected to result in lower operating cost, a factor which might have some influence upon earnings this year. Until there is a definite up-turn in the amount of new building and highway construction, earnings of the company are likely to be on a limited basis.

Maritime Telephone

Will you be good enough to let me have your opinion on the preferred stock of Maritime Telegraph and Telephone Co.? I hold a small number of these shares and am considering adding to my investment.

Maritime Telegraph and Telephone is the largest operator in Nova Scotia and has managed to record consistent growth in recent years. While plant expansion has probably been a little ahead of needs, the lag should be readily taken up under more normal business conditions. The company is well-managed and its securities are generally well regarded.

Dominion Bridge

Please let me have a report on the current outlook for Dominion Bridge Co. I have a small sum of money to invest at the moment and thought of purchasing this stock.

Though Dominion Bridge Co. is the largest operator of its kind in Canada and in the past has been able to report substantial earnings, present conditions are not conducive to profit-making. While there is no official information on the point, it is unlikely that the company is earning its dividends. It would not be surprising, therefore, if Dominion Bridge were to conserve its cash resources by passing the dividend, or, at least, putting it on a smaller basis.

Rolland Paper

I am considering switching from Rolland Paper Co. preferred stock to the bonds of the Province of Buenos Aires. I don't want to do this before having your opinion and anything you might have to say will be appreciated.

Political conditions in the Latin-American countries are very uncertain just now. If you will refer to the record of South American issues brought out in the last four or five years, you will see that the majority of these issues, which were offered to the public at or near par, are now selling at only a fraction of their original value. While it is out of the question to state that payment on these bonds may be defaulted, yet it will likely be some time before the bondholders are able to dispose of their securities without loss.

On the other hand, the Rolland Paper Co. is regarded as one of the soundest paper producers in this country. The property has been in the hands of the Rolland family for many years and has shown a consistent record of earnings. While it is true that conditions in the paper industry are not altogether satisfactory, Rolland Paper has been able to make a showing better than the average.

Canadian Car

What is your opinion of the preferred stock of Canadian Car and Foundry Co.? Do you think it will continue to earn the preferred dividend this year?

Canadian Car and Foundry Co. over the last three years has built up an exceptionally strong financial position, but manufacturing operations are virtually nil. This company is almost wholly dependent upon purchase of rolling stock equipment by the railways to keep its plants in operation. The amount of this buying last year was very small, while the prospects for this year and for probably the next two years are not encouraging. Consequently, if the management decides to pay dividends on the preferred, such payments are likely to come out of surplus rather than from current earnings. Under more favorable circumstances Canadian Car is capable of showing large earning power but until the railways are again in the market, Canadian Car is likely to live on the large surplus built up in more profitable years.

Charles Gurd

Would you be good enough to let me have your opinion on the common stock of Charles Gurd and Co.? Are there any new developments of importance in connection with this company?

Chas. Gurd & Co., manufacturers of aerated beverages, have operated in Montreal for many years. Its record in the past is a satisfactory one and earnings have covered dividend requirements by a fair margin. There has been little market interest in the stock of late, but this is common to virtually all securities listed on the Montreal Stock Exchange. There are no new developments of importance in connection with this company.

MacLaren-Quebec

Would appreciate receiving any information you may have on the position of the MacLaren-Quebec Power Co. I hold a few bonds in this enterprise.

MacLaren-Quebec Power Co. is still in the development stage, and of course has not yet established full earning power. Under the terms of the contracts which this company has with the Ontario Hydro-Electric Power Commission and the James MacLaren Company, sufficient revenue is assured to take care of operating charges, depreciation and interest on the first mortgage bonds.

Acadia Sugar

What is your opinion of the position of bonds of Moirs Ltd. and Acadia Sugar Refining Co., which I hold? Would it be advisable to invest $3,000 or more in government bonds?

Acadia Sugar Refining has steadily improved its position, as evidenced by the fact that it is now taking steps to clean up the arrears of dividends on the preferred stock. While the price of sugar is at a very low point, economies in operation and distribution have enabled the company to present satisfactory financial statements over the past two or three years. While we have no reports on current earnings, our understanding is that operations are on a satisfactory basis.

Dominion Textile

Can you let me have a report on Dominion Textiles Co.? I note that the stock of this company is now selling at a low figure and the yield is relatively high. I thought of purchasing a few shares.

The situation in the textile industry has been unsatisfactory for some time past, as is evidenced by declining earnings of the textile operators. Though Dominion Textiles is the largest operator in the field and has been able to maintain its earnings on a relatively high basis, still the report for 1931 shows that there was not sufficient profit to take care of the common dividend. Examination of the report also shows that of the total income received by Dominion Textiles, approximately half was received from investments. In other words, less than one-half of the dividends paid was derived from textile operations. Under more favorable operating conditions, the dominant position of the company in the textile industry would assure substantial earnings but until there is a turn for the better, limited earnings are to be anticipated.

Service Stations

I would appreciate very much your view of the prospects for Service Stations class "A" common stock. I have read the annual statement for the year ending December 31, and in view of the fact that gasoline sales have not shown the same drop as other commodities, it would appear that Service Stations should benefit from such conditions as probably this commodity will come back even faster than many others.

Would you suggest a change from Service Stations to Ford common stock advisable?

It is quite true that volume sales of gasoline are not down much as compared with other years, but in the United States gasoline prices have fallen so drastically that there is no profit in it for the important companies and they have had to cut their costs to the bone. The demand for service station equipment of all kinds has therefore fallen very low and the service station equipment companies have had to offer their equipment at low prices in order to stimulate sales. It is probable that there will be no improvement in this respect until gasoline in the United States sells at a higher figure. The company has done somewhat better in Canada, but its larger sales are naturally in the larger market.

The company did develop other important products which are proving more remunerative. However, service station equipment still remains the chief source of business, and apparently its prospects of improvement may be gauged by an improvement in the position and prospects of the oil industry as a whole. With crude oil over-production still threatening potential disaster one had better wait a little longer to see which way the cat jumps.

Too many gasoline stations were established up to 1930 and that situation will prevent any very quick return of demand for modern equipment. Obsolescence will soon begin to work in favor of the company.

Ford dividends have been stopped entirely and it is unlikely that they will be resumed until demand once more reaches a volume sufficient to enable the company to make good profits. That also depends on more stable business being achieved, along with greater confidence in the future. Apparently this greater confidence is necessary before the great majority of people will fill their wants in car buying. The company has made important arrangements with Ford of England to supply all its markets with the 8-cylinder recent model. Very strong financially, the company is naturally hopeful of resumed profits when business brightens.

Canadian Canners

Would you advise the purchase of Canadian Canners 2nd Preferred for future appreciation?

Dividends on Canadian Canners second preferred will depend on an improvement in the price level on business done by canning companies. The price war which obtained to an increasing degree in the last two years has apparently been alleviated to some extent this year. There have been some increases in prices of canned goods in which price slaughtering was most prominent and most producers have agreed to produce much less than in previous years. A smaller acreage is being devoted to those vegetables used in canning and it is hoped in the trade that a sounder position may be achieved this year. Just how soon this will enable dividends to be increased cannot be judged at the moment.

The company has a strong working capital position, is a leader in the industry and is continually seeking new outlets and devising new products.

Brazilian, Nickel

I have $3,000 which I wish to invest. I would like income appreciation and safety if such a thing is possible. I have been advised to buy Imperial and International Nickel.

I own my home and my salary is $25 per week. I have myself and mother to support.

Improvement in Brazilian common stock must await improvement in the finances and business of Brazil and a demonstrated ability on the part of that country to keep the milreis high enough to meet easily all calls upon it. Although business conditions are improving there they have not improved to the point necessary to enable dividends to be paid in dollars as a fixed policy.

International Nickel has one of the richest mines on earth in the Frood mine, as well as a number of other mines which in normal years permit profitable operation. With 90 per cent of the nickel business of the world in its hands and large by-products in copper and precious metals, this company apparently has an excellent prospect of improving its position whenever base metals go higher in price and the level of business is such as to cause large increases in the demand for nickel. Apparently the use of nickel is increasing relatively much faster than some years ago.

Judging the Future

I would appreciate your advice re my holdings which are as follows:

250 shares Cons. Gas of N.Y. (com.)
440 Can. Pacific Rly. "
110 Brazilian Traction "

The above stocks represent my entire investments and I have no cash on hand. I am a middle-aged man, single, and out of employment, except for a few odd jobs which are only partially sustaining. The total value of my stocks in 1929 amounted to around $70,000 and I had good hopes of being fairly independent for the future, on the interest return that I could obtain from that much money. I hold the stocks outright, and I considered my position fairly safe at the time, especially on the advice of reputable brokers and others whose opinions I considered more competent than my own.

I was living in Ontario up to July, 1929, and as I was coming east for an indefinite stay I had a hunch that stocks were high priced and that I should sell out and transfer into good bonds. I was prevented from doing this by the advice of others who were supposed to be better judges than myself.

You are aware of the history of events since the market crash began in 1929 and I need only to say that I have witnessed my stocks drop in price to less than one-quarter of what they were then. Notwithstanding this, the advice has been to "hold on until the storm blows over," but the downward trend has continued so long that I am getting discouraged and I fear that I may lose all unless I make some move to salvage what I can out of what is left.

I realize that your service to investors is confined to facts rather than opinion or prophecy, but I am going to ask you to analyze my stocks and also without any obligation or responsibility on your part I would very much appreciate your personal opinion of my predicament and what would you advise me to do at this late hour.

Although the stocks in which you have invested were great favorites with experienced institutional investors up to the time of the market crash, it is difficult to tell you now whether selling would avoid additional loss or not. Many have believed that the way is open for recovery of business as soon as conflicting national interests of the world can be sufficiently adjusted to permit an easier flow of trade than is now possible. Certainly a higher level of trade might help Brazilian very much in that there would be more exchange available in Brazil to permit the sending of money to Canada, New York and England for the payment of dividends. We cannot in our own country predict the duration of any government and it becomes even more difficult to tell what will happen in Brazil where the present government is provisional and got in power through a successful revolution. In the future, your investment in Brazilian seems to depend on improvement in general business in Brazil and the effect of that improvement on exchange.

Consolidated Gas of New York, though held by many Canadian companies and investors, is not a Canadian company nor listed on any exchange here and, therefore, it does not fall within the service given by The Financial Post. Canadian companies, which invested heavily in it, did so because the company had a good record of advance and because they believed its future to be tied up with the growth of New York City itself.

As for Canadian Pacific Railway, wait for the report of the Dominion Railway Commission and see if a more hopeful view may then be taken of the future of C. P. R.

Western Grain

Re the preferred 6½ per cent stock of Western Grain Co. It seems that this company has a fair chance of weathering the depression. Can you advise if the bond interest is being earned and the amount of bank indebtedness or other liabilities ranking ahead of the stock?

Bond interest of Western Grain was earned 1.91 times before depreciation in the year ending July 31, 1931. There was no depreciation write-off in 1930 or 1931, but the last depreciation write-off in 1929 amounted to $175,497. Therefore it appears that if a similar amount had been written off for depreciation in the last year ending July 31, 1931, bond interest would have been just about covered after depreciation, which would have left nothing available for the preferred stock.

Current assets were fairly strong on July 31 last, but a bank loan of $679,000 had been made during the year. Earnings are not expected to be quite as great in the present year due to crop failures in large areas throughout the West. If present moisture conditions keep up next year may be much better as crops may be large but you should not count those chickens until they are hatched. The company reports further drastic economies as having been made.

Investors Syndicate

Could you give us any information regarding Investors Syndicate, who are selling ten year 5 per cent certificates?

Investors Syndicate has been selling investment certificates since the last decade of the nineteenth century. Progressive financial statements have apparently shown the company as getting stronger financially all this time. The last balance sheet for 1931 showed assets of $46,646,219 against which the first charge was certificate cash surrender values amounting to $32,983,025. There was a contingent liability reserve as well of $6,398,886 set aside to meet additions to cash surrender values. Total liabilities amount to $40,453,540 which permits a certificate reserve of $4,690,578.

These certificates should be bought only by those who feel certain that they will be able to make all the payments required under the contract to date of maturity. If they do this, such a contract would be remunerative, but if they drop the contract in two, three, four or five years after undertaking it, the cash surrender value would not be large enough to have justified them in the purchase. In fact, for the first five years they could not draw out as much as they put in.

Investors Syndicate has its head office in Minneapolis; it claims that it has sufficient assets in Canada to cover all its liabilities. Its statements are audited by a New York firm of accountants.

Will Markets Revive?

During the good times of 1929 I was one of those that bought heavily of common stocks. Since then I have bought from time to time to lower the per share cost to me and should the market go up I could get my money back, but is there any hope for market revival? The stock I hold is Brazilian costing $37.25 per share, and Nickel $30.50 per share.

Markets always have revived after past economic crises, but noone has ever been able to say the day nor the hour nor even the year with absolute accuracy. Recovery depends too much on changing political, economic and business trends whose outcome as to time depends on individual and national events which cannot be foreseen because there is a welter of conflicting interests. All that one can say with absolute assurance is that the world's appetite for goods and services will eventually become keen again with a corresponding improvement in market values of bonds and shares of all companies able to come through the period of fasting and lamentation with adequate financial strength and with productive power unimpaired.

Brazilian Traction itself, during all of the last decade, has given a good account of itself so far as operating revenue is concerned but Brazilian money has to become worth more in markets of the world before your dividends can be paid regularly. Much progress has been made in Brazil in balancing the budget of the Federal Government and in getting a favorable balance of trade. The central bank system is being reorganized and the present intention appears to be to follow conservative currency and financial policies. There is far from enough money as yet available, however, to enable the Brazilian Government to pay bond interest in currencies of foreign countries let alone to permit payment of dividends. A strong revival of trade the world over would help Brazil but its chief need is to get rid of its great surplus of coffee, which forms its largest export crop.

International Nickel's next period of good times will come when the world again shows an active demand for projects and products that consume copper, nickel and other metals in great quantities. This is a nickel-copper-aluminum-chemical-steel age and if you follow the trend by buying stocks of strong companies with low-cost production you are doing the best you can to anticipate the future.

Advertising Knocks of Opportunity

By RUSSELL T. KELLY
Hamilton

There are today three knocks of opportunity to men engaged in selling and advertising.

(1) Very few of us are working as long hours as we did in 1927-28-29. It has been well said that "knowledge is power." When have we or when are we likely again to have a greater opportunity to study and master our particular business?

When one of our staff comes into my office and I ask for information and he answers "I think this," "I think that," I promptly send him out and say,—"Go and find out definitely and then come back and see me."

You and I always welcome the man who comes to see us on business and who knows what he is talking about. You and I will always be more welcome and more successful when we know our work. We cannot afford to let this knock of opportunity pass.

(2) The knock of opportunity to develop new ideas. Time will only permit me to mention one.

Every month new citizens come to your city. They are transferred by insurance companies, by motor companies, by churches and in many other ways. They have been good customers for all lines of products in their former cities. Where will they buy in your city? At the store which looks them up, takes an interest in them and makes them feel at home. At the store which puts itself out just a little to be of service.

Now how can you find out who is moving? I will give you two or three ways:

(a) Watch your newspaper for personal items—they will not get them all but they will get a lot of them;

(b) Have some person in your establishment make friends with someone in the installation or contract department of the telephone company, most of these new citizens will install a telephone;

(c) Have some person in your organization contact with someone in the office of the principal movers, the firms who do inter-city moving of household furniture;

(d) Another one and just a little harder to work. Contact with the man in your principal churches who has charge of assigning the sittings, because before long most of your new citizens will contact with some church.

No matter how hard you try you will find it impossible to hold all your present customers and you want new ones to take the place of those you lose.

One night in Hamilton I held up at a meeting the names of 32 new business men recently located. Three of these was the most any person present knew. The next day I gave the list to a clothing merchant. In two weeks time he sold nine suits of clothes to this list.

(3) The third opportunity which knocks today is in my opinion the greatest opportunity. It is this, to get every person, who benefits either directly or indirectly from advertising, to go into the stores and ask for and insist on getting, advertised products by their advertised name.

Are they doing it? They are not! Not ten per cent of those who should are giving proper — yes, justifiable support to advertised brands.

Employees of newspapers, magazines, trade papers, direct mail houses, bill board companies, radio, printing houses, engraving and lithographing companies, artists, advertising agencies, firms who manufacture paper, farmers who produce the pulp, these and many others receive direct benefit from advertising. They owe much of their income to it.

Now what can they do? They should never go into a store and say "I want a hat." They should say "I want a Knox, or a Christy, a Brock or a Biltmore."

Better Business Bureau Survey Silk Plant Racket

Calls Attention to New Developments in Industry and Warns Against Too Much Faith in Promoter

From Our Own Correspondent

MONTREAL.—Under the title of "Fashions in Fraud" the Better Business Bureau of Montreal has issued a lengthy warning to municipalities who have been approached by promoters seeking backing for the establishment of a broad silk manufacturing plant.

The remarkably rapid growth of the silk industry in Canada in recent years has made it comparatively easy for promoters to receive concessions and financial backing from municipalities in this country. While having no quarrel with legitimate promotion, the bureau deems it advisable to issue a warning at this time against fraudulent promotions in the broad silk industry.

Its statement follows:

The stock racketeer and high-pressure salesman destroys public confidence in all financing and aims a foul blow at legitimate industry.

There are styles in stock swindling and fake brokerage activities just as there are changes in fashions. The fake promoter in the past has gone from mining stocks to oil, from oil to automobiles, from automobiles to tires, from tires to motion pictures, from motion pictures to radio, from radio to aviation, and now they have fashioned their nimble minds to capitalize a public enthusiasm, which is a direct result of existing conditions brought about in the most promising of our younger Canadian industries.

Record Rapid Growth

The record of the rapid growth of the Broad Silk Industry in Canada during the last ten years is not far short of a romance, which has seldom been equalled in the history of Canadian business.

Ten years ago many sceptical people said that climatic conditions in Canada were such as to prevent the industry developing to any great extent; nevertheless, since 1926 imports of raw silk have increased 360 per cent and they are still on the increase.

The number of mills, including those producing artificial silk, have increased from twelve in 1926 to twenty-five in 1930. Production of broad silk and artificial silk was valued in 1926 at $8,500,000 and in 1930 at $18,000,000 (this in spite of reduced prices).

Good quality, low price of the domestic product, tariff restrictions and differences in exchange rates, are said to be the outstanding reasons for this remarkable development.

Depression in States

The development in the Canadian industry has been made, to some extent, at the expense of the industry in the United States.

In Patterson, New Jersey, there are said to be over 160 mills idle and with little prospect of reopening. Looms, throwing plants, and dyeing plants, can be bought for the price of scrap—and in contrast with this our major Canadian mills are working three eight-hour shifts a day.

Conditions Favor Promoter

It is the above facts which are now being seized upon by different groups of promoters—they see a background of facts and talking points, which on the surface are all in their favor.

Their propositions are at present being placed before Boards of Trade and the town councils and Industrial Commissioners of different small municipalities in the Province of Quebec. They are endeavoring to capitalize the desire on the part of most towns to provide work for their unemployed. The proposal is to establish silk mills in various towns, the promoters offering to provide the machinery on the understanding that the town would put up $30,000 or $50,000 working capital and pay the cost of shipping the machinery and duty from Paterson, N.J. For the machinery, the promoters will take the common stock of the company to be formed.

It is because of the fact that most towns are anxious to secure work for the unemployed that they are lending a ready ear to the smooth talk of the promoters.

Extreme Caution Advised

Extreme caution, however, is advised in dealing with unknown promoters in endeavoring to promote such industries.

In the proposition outlined it will be seen the promoters have very little to lose—they simply transfer unmarketable machinery from a centre where it has lost all value, and place it at the expense of the public where it can be set going for a time at least.

Are these propositions merely schemes for the disposal of second-hand machinery?

Do the promoters intend to be serious operators of the mill?

Is it not conceivable that after the mill has been running a short time that the promoters will feed their stock to the unsuspecting townspeople at a price which will mean about $700 a loom for which they paid $10 a loom in Patterson, N.J.

Danger Ahead Industry

The favorable factors in the silk industry are disappearing for a time at least. Already the bugbear of over-production has made its appearance. Organized curtailment plans are mooted and prices are declining to a point where profits are negligible.

In view of these facts, those who are interested in providing new industries to relieve unemployment, prospective investors and the public in general, are urged to use extreme caution, particularly in dealing with unknown promoters.

Before commitments are made, Industrial Commissions and others interests should take sound legal advice, consult their bankers, and acquaint themselves with the conditions of the industry at present.

This should be done, not only for their own safeguard, but also for the welfare of a sound Canadian industry.

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In addition, the editorial and statistical departments of The Financial Post are in a position to compile data and make special reports on a wide variety of business and financial subjects.

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For twenty-five years The Financial Post has been maintaining records on thousands of Canadian companies and on every type of industry, trade and business activity. The records of The Financial Post are the most complete business and corporation records in Canada, with the possible exception of some government records never made available to the public.

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When you are in need of important business data, special reports, corporation histories, etc., write us. We will let you know if we can provide you with what you want and what it will cost you.

"The information you supplied was just what we wanted."

"Thanks for your prompt attention to our inquiry."

Extract from letter recently received.

Special Investigation Department

THE FINANCIAL POST
CORPORATION SERVICE
143 University Ave., Toronto

SECURITY

STRENGTH ROYAL INSURANCE COMPANY LIMITED SERVICE

EXTRACTS FROM THE REPORT FOR THE YEAR 1931

Net Premiums (All Departments)	$73,752,430
Net Interest Earnings	11,488,400
Total Income	$85,240,830

After providing for Debenture Interest and the Final Dividend for 1931, the Funds of the Company stand as follows:—

Capital Paid Up	$ 13,999,825
Life Assurance Fund	106,808,955
Annuity Fund	9,275,160
Capital Redemption Assurances Fund	2,427,460
Accident and General Insurances Fund	25,898,120
Marine Fund	8,349,705
Superannuation Fund	3,163,415
Shareholders' Life Profits	400,000
Fire Fund	34,625,425
Balance of Profit and Loss Account	6,995,630
Total Funds	$211,943,695
TOTAL ASSETS	$254,291,650

The following is an extract from the Auditors' Certificate appearing on the Balance Sheet:
"Taking the Stock Exchange Securities at or below the mean quotations at 31st December (less accrued interest and dividends), the value of the Assets in the aggregate is in excess of the amount stated in the Balance Sheet."
($5 taken as equivalent of £1)

Canadian Head Office: 500 Place D'Armes, MONTREAL
J. H. LABELLE, *Manager*
Branch Offices & Agencies Throughout the Dominion

DOMINION TAR PASS PAYMENT SENIOR STOCK

Sharp Drop in Earnings Given as Reason For Action

From Our Own Correspondent

MONTREAL. — Despite substantial economies in operations, earnings of Dominion Tar and Chemical Co. for the current year are likely to show a sharp falling off and in order to conserve the cash position, directors have decided to postpone the quarterly dividend on the preferred stock, which would ordinarily be payable on August 1 next.

At the beginning of 1929 control of this company was acquired by Canadian interests from an English group. Public financing was carried out by Wood, Gundy and Co., Greenshields and Co., and Andrew Holt and Co., such financing taking the form of $5,500,000 of bonds, $4,500,000 of preferred. At present the company has issued $5,394,000 of bonds, $5,035,000 of preferred and 272,500 shares of no par value common stock.

Big Expansion Programme

With the introduction of new interests, substantial expansion has taken place. In 1929 all the minority interest in Alexander Murray and Co. and a further holding in Canada Creosoting Co. was acquired. The following year all the shares of Calders (Canada) were acquired, as well as a substantial interest in Alberta Wood Preserving Co. Last year Dominion Tar secured the balance of the stock of Alberta Wood Preserving Co. and Vancouver Creosoting Co. In addition to its acquisitions, the company spent nearly $600,000 last year in a new phenol plant at Toronto, which sum also covered extensions to wharfage facilities in Toronto and New Westminster.

Earnings of Dominion Tar have been on a satisfactory basis up to last year. In 1929 the preferred share earnings amounted to $18.39, in 1930, $15.72 and in 1931, $6.61. Earnings on the common stock ranged from $2.34 in 1929 to 1 cent a share last year.

Letter to Shareholders

Following is a copy of the circular letter sent to the preferred shareholders on the deferment of the dividend:

"At a meeting of your board of directors close scrutiny of the probable earnings of your company and its subsidiaries for 1932 was made, and I have to advise you that notwithstanding very considerable savings in operating, management and selling expenses arising from reduction in salaries and wages and the consolidation of the management and sales forces of the constituent companies, reduced operations in practically all the manufacturing plants, coupled with lower prices will bring about a drop in earnings this year serious enough to cause your board to hesitate to declare further dividends upon the preference shares of the company until the actual results for the year are known and the prospects for 1933 can be more clearly discerned.

"By such action the board expects to be able to preserve, if not to strengthen, the working capital position of your company as revealed at the 31st of December, 1931. Just as soon as the earnings begin to rise again consideration will be given without delay to a resumption of the payment of dividends on the preference shares. Your board of directors and the management have reason to believe that the present falling-off in earnings is of a temporary nature and that as soon as the present world-wide unsettlement in the manufacturing and commercial world resolves itself, your industries will again be operated as profitably as heretofore."

British Prejudices Endanger Conference

So Claims British Writer Who Warns of Prevalent Cobdenism and Control by London's International Banking Fraternity

By ARTHUR KITSON,
British industrialist and writer on economic subjects.

Great hopes are being entertained in British political and business circles as to the results of the coming conference at Ottawa, which is to meet this summer. Undoubtedly this conference will furnish another opportunity for uniting the various members of the British Empire more closely in economic harmony for their mutual advantage. I say another opportunity, because there have been many former opportunities which have been lost mainly on account of the economic prejudices of those taking part in the discussion, and particularly the representatives of Great Britain.

It would be well, however, for the representatives of the overseas dominions and Canada particularly, to realize fully the difficulties with which they will be confronted in bringing about more intimate trade relations. Canada, of course, has her own industries to protect. No one would for a moment suggest the wisdom of endangering the colonial industries that have been established under protection by complete abandonment of the tariffs under which they have developed and prospered. But if, as it is proposed, the British prime minister, Rt. Hon. Ramsay MacDonald, and his friend Rt. Hon. J. H. Thomas, secretary for the Dominions, are to form a part of the British delegation, tariff measures will find comparatively little sympathy.

Laborites Stick by Free Trade

One of the most contradictory things found in the British political system is the subbornness with which the Labor party have held on to Cobdenism regardless of its disastrous effects on Labor. Trade unionism — which is probably stronger in Great Britain than in any other country—is a system of the most rigid and intolerant form of protection, and there is no doubt this system has to a large extent kept the standard of living among the laboring people higher than it would have been if exposed to the international competition of free trade. The chief defence of the system of tariff protection is that it limits to a large extent the competition among labor to the people of the country practising it, while Cobdenism would intensify and extend this competition to the workmen of all nations throughout the world, with the result that labor would be compelled to occupy a far lower level of existence than that which many now enjoy.

Standards of Living

One has only to consider what would happen say to the United States or Canada, if they were to abandon their tariff system entirely and leave their markets open to the free imports from Japan, China and India. It would result in lowering the rate of wages in America to that of the Far East. The working classes of Great Britain have been saved to a considerable degree from such cut-throat competition by their system of trade unionism, so that the real and full effects of free trade have never yet been experienced within the memory of those now living.

Prior to the development of trade unionism, England was the workshop of the world, and her people were not exposed to the competition which would now have to be faced since the development of the industries of Britain's industrial rivals.

Baldwin is Protectionist

Most of the Labor leaders, includng the present prime minister and his former associates in the Labor party, are still obsessed with the virtues of Cobdenism and have learned nothing from the lessons which the war has taught most statesmen. Rt. Hon. Stanley Baldwin, who is expected to take part in the conference is, however, a convert to the necessity for tariff protection, and his sympathies will undoubtedly be given to those who insist on maintaining their present tariffs in the Dominions.

One of the wisest utterances of the late Earl Balfour was as follows: "I would as soon entrust my physical health to a doctor whose knowledge of the pharmacoepia was that of 1844 as I would entrust the trade and fiscal policies of this country to men who have learned nothing since the days of Richard Cobden and Sir Robert Peel."

Ignorant of Monetary Science

Another subject which will doubtless be discussed will be the question of finance, and here the representatives of the National Government will not be likely to show any interest in financial proposals apart from the system which has been endorsed by the British treasury officials and by the City of London since the war.

British statesmen have been, and are still, proverbially ignorant of monetary science and they depend entirely for their information and ideas upon treasury experts and the representatives of the Bank of England. It is a curious thing that although in the civil service, every official is compelled to pass certain examinations before he is given an appointment, members of the government are appointed to the highest offices in the land without possessing knowledge of even the rudiments of the department over which they take control.

Ignorance of Chancellors

A story is told of a certain prewar Chancellor of the Exchequer after his appointment to office calling a meeting of the London bankers with a view to his getting their co-operation in the duties which he had undertaken.

"Gentlemen," said the Chancellor, "I wish that my term of office shall be memorable in the history of our country. My desire is to raise British credit to the highest point. I want to see British credit raised to 5 per cent."

Noticing an amused look on the faces of his audience he asked, "Is there anything impracticable in what I have just said?"

"Evidently you forget, Mr. Chancellor, that British credit is already much higher," said one of the bankers.

"Indeed," said the Chancellor, "I was not aware of this." "It is already 3 per cent," said another banker!

"That is what I complain of," said the Chancellor. "I am anxious to raise it to 5 per cent!"

Gold and Unemployment

It is only a few years since Rt. Hon. Winston Churchill, when Chancellor of the Exchequer, publicly announced that the re-establishment of the gold standard had no more to do with unemployment than the Gulf Stream! And yet the committee appointed to investigate the cause of the coal strike a year or so later, reported that the adoption of the gold standard had raised the price of British coal in foreign markets 1s. 8d. per ton and had thus converted what previously had been a paying industry into a losing one. It was this that led to the necessity of reducing the miners' wages and precipitated the Great Strike of 1926! It may be taken for granted that the political leaders of Great Britain, together with the treasury officials, are a century behind the times in their knowledge of monetary science. They apparently are still ignorant of the fact that the present crisis is directly traceable to the currency deflation policy pursued by the Bank of England for the past few years.

International Finance

It should also be remembered that the financial system practised in the City of London is not a national nor an inter-Empire system. It is wholly international. It is not too much to say that for the past century, British finance has been dominated by international interests. One has only to look at the names of the London discount houses and of the directors of the Bank of England to realize this. The names that predominate are German, and it is well known that from the time of the Hanseatic League, London has been regarded as one of the chief centres for financing German enterprises throughout the world. In the days of that famous League, its representatives were given special privileges which enabled them to compete successfully and even out-rival English merchants.

Foreign Loans Caused Crisis

It is now known that the great crisis of last August, which led to the change of government and the formation of the National party, was occasioned by the Bank of England and its London associates making enormous loans to Germany and Austria. Lord Beaverbrook is authority for the statement that the Bank of England borrowed large sums from the Federal Reserve Bank in America and from the Bank of France at 3 per cent interest on short term loans, which they furnished to Germany at 8 per cent on long term loans. And that when the American and French banks requested the repayment of their loans, the Bank of England was unable to repay them, and hence the prime minister was appealed to, to help them out of their difficulty.

In financial matters, neither the Bank of England nor the City of London have ever allowed patriotism to stand in the way of their own selfish interests. Prior to the war, it was known that most of the great German industries, which were fast destroying similar British industries, owed their success to the use of British credit supplied by the London finance houses. The writer has experienced in his own business affairs the unfair competition which British manufacturers have had to struggle against in the sale of their goods abroad.

Against British Interests

For example, it was the custom before the war for German manufacturers to give their Russian clients three and even four years credit, where the British manufacturers could scarcely afford to give credit for a longer period than three and four months. The German manufacturer after getting the acceptance of his Russian client, would hand his drafts to one of the German banks who would endorse it and send it to London to one of the discount houses where it would be discounted! But no British bank would have thought of extending similar time—credit to a British merchant or manufacturer.

The Bank of England, which has absolute control over British currency, is officered by 25 directors many of whom are representatives of foreign and overseas banking firms. The present governor of the bank—Montague Norman—was a witness before the MacMillan Committee (whose report was published last year) and in his evidence as to the chief policy of the bank, admitted that it was not their policy to assist British industry so much as to maintain the value of sterling abroad.

Difficulties From Britain

It is safe to say that the chief difficulties which will arise at the coming conference, may be expected from the representatives of Great Britain, most of whom regard the interests of European countries of as great if not greater importance than the interests of Great Britain and the Overseas Dominions. This is especially the view of free trade liberals such as Sir Herbert Samuel, and of most of the Labor leaders together with many of the free trade Conservatives. These men are still imbued with the views of Cobden who regarded the colonies as almost negligible factors in determining the trade policy of Great Britain.

Struggle for Money

The question of an inter-Empire currency will doubtless be another subject for discussion. There is no doubt that such a currency would tend to increase trade between the Mother Country and the Dominions, so long as this currency was not rigidly connected with the precious metals! There is, however, a strong movement supported by the international financiers and the League of Nations to adopt a universal currency and get rid of tariffs and all trade barriers! This policy has been advocated in Britain by representatives of the League such as Sir Arthur Salter and others. But a moment's consideration will convince any unprejudiced person that such a policy would inaugurate the most desperate trade warfare the world has ever known, and would reduce the world's workers to the lowest level of existence, compatible with productive energy.

Competition, which tariffs are designed to limit to each country, would be a struggle among all nations for money, which would reduce the level of existence of the working classes to that of the lowest paid labor. No one could contemplate a condition of this sort without a shudder, and it is to be hoped that the representatives of the British Empire will never give ear to any such policy.

It is the duty of every government to do all in its power to raise and not lower the status of its producing classes.

League of British Nations?

The greatest hope of mankind is in the formation of a League of the British nations. It has been proposed on several former occasions that representatives of the overseas dominions should be invited to form a part of the British Government at Westminster, and that cabinet positions should be found for them. Such a movement would certainly tend to strengthen the bonds between the Mother Country and the colonies, and would give to the British Government itself a much broader outlook on the world's affairs. Could not some such scheme be proposed and discussed at the coming Ottawa Conference?

CANADIAN FOREIGN INCOME AFFECTED BY EXCHANGE RATE

Revenue Last Year Was Sufficient to Cover Charges

From Our Own Correspondent

MONTREAL.—Revenue received by Canadian Foreign Investment Corp. from its subsidiary, Brazilian Portland Cement Co., declined from $403,920 to $366,420 in 1931. This decline was due solely to the lower rate of exchange as the Brazilian company maintained its dividend rate in 1931 but on conversion into Canadian currency the gross amount was $48,965 less than in 1930.

Output of the Brazilian plant during the early part of 1931 was about the same as in 1930, but the improvement which commenced in March was continued and the plant operated at full capacity during the balance of the year, shipments totalling 983,031 barrels as compared with 512,705 in 1930.

Heavy Write-offs

The income account shows that after taking care of expenses and debenture interest the balance available for dividend on the preferred stock amounted to $262,985. This compared with $314,668 in 1930. Particulars of the income account follow:

	1931 $	1930 $
Income	366,420	403,920
Less:		
Deb. interest	57,993	57,075
Expenses	45,442	32,157
Net revenue	262,985	314,668
Less:		
Pfd. divds.	*174,750	105,102
Balance	88,235	209,566
Brt. forward	300,184	135,455
Invest. expense	5,250	**10,552
Disc. w/o	......	**34,285
Carried forward	393,669	300,184

* Includes $35,034 last quarter of 1930.
** Written off.

Increase Brazilian Interest

The balance sheet as at December 31, 1931, shows relatively little change from that previously reported, total assets amounting to $3,494,719 as against $3,413,505 at the end of 1930. The company's interest in the Brazilian Portland Cement Co. increased during the year from $3,380,576 to $3,465,982. In this connection the auditors append a note to the report stating that the trust deed covering the issue of the Series "A" and "B" gold debentures of the Brazilian company call for the annual redemption of 5 per cent of the total issue of debentures. Brazilian company did not redeem any of these debentures during the year but provision has been made in the company's certified financial statement for the full liability in this respect. The auditors state that they are informed that ample funds are available for the purpose but owing to the difficulty experienced in purchasing foreign exchange for remittance abroad, payment was not made.

Few Changes Noted

Changes among assets shown on the balance sheet are few and unimportant. On the liability side there is a slight reduction in current assets, while the amount of the company's 7 per cent collateral trust debentures outstanding remains unchanged at $827,000.

There was a further small redemption of the preferred stock during the year, the amount of this issue now outstanding totalling $1,741,200, as compared with $1,751,000, at the end of 1930.

There is no change in the capital stock, while the earned surplus stands at $393,669, compared to $300,184 at the close of the previous year.

TRUST AND LOAN COVER DIVIDENDS DURING 1931-1932

Substantial Write-offs Made to Take Care of Contingencies

From Our Own Correspondent

MONTREAL. — Trust and Loan Co. of Canada reports a profit on operations in the year ended March 31, 1932, of £32,702, which with the previous balance brought the amount at credit of revenue up to £52,891.

Out of this amount the directors, in view of the continuance of adverse conditions, transferred £10,000 to contingencies account, in addition to making exceptional reserves in Canada and paid an interim dividend, free of British income tax, amounting to £13,500, leaving a balance of £29,391. Further, a dividend for the half year ended March 31, 1932, was declared at the rate of 2 per cent per annum, bringing the balance down to £15,891.

Assets of £4,414,000

The balance sheet at March 31, 1932, shows total assets of £4,414,828, of which £1,350,000 represents capital stock. Debentures issued aggregate in value £1,713,338, while outstanding debenture stock totals £746,536. The statutory reserve fund stands at £147,542. Sundries creditors, provision for losses and contingencies account is down at £401,081.

Cash in banks and on hand totals £52,335. Money at call and temporary investments amount to £351,667. Treasury bills held by the company total £121,836. Investments in Canada are shown in dollars, amounting to $14,380,207 in mortgages and $2,445,342 in land investments a total of $16,825,549. Sundry debtors to the company owe about $1,607,000. Office premises in Canada are carried on the books at £99,143.

Revenue Account
Years Ended March 31

	1932 £	1931 £
Earnings	208,651	249,388
Less: Expenses	39,394	42,937
Deb. interest	119,497	115,255
Income tax	17,057	14,714
Net profits	32,703	76,480
Dividends	27,000	40,500
	5,703	35,980
Prev. surplus	47,188	61,708
	52,891	97,688
Trans. to conting.	10,000	10,000
Interim div.	13,500	40,500
Balance	28,391	47,188

Insurance Exchange Bldg. Pass Sinking Fund Payment

From Our Own Correspondent

MONTREAL—Though interest payments have been met promptly, it is understood that the Insurance Exchange Building has defaulted on the sinking fund payment due Jan. 1, 1932. In this connection a letter has been despatched to the bondholders by the underwriter — S. W. Straus & Co., New York City—recommending the temporary waiving of rights in this connection.

At present the building, which is located in the down-town financial section of Montreal, is about 75 per cent rented. Sufficient revenue is being received to take care of all carrying charges, as well as interest on the bonds.

Canadian Pacific Announce Change in Finance Personnel

From Our Own Correspondent

MONTREAL. — John Leslie, vice-president and treasurer of the Canadian Pacific Railway, retires from office under pension rules on July 1 next, according to an announcement made by E. W. Beatty, chairman and president. Mr. Leslie will be succeeded by E. E. Lloyd, at present comptroller of the company. L. B. Unwin, assistant comptroller, will be appointed comptroller and E. A. Leslie, assistant comptroller, will be appointed deputy comptroller.

NIAGARA WIRE CO. DEFERS DIVIDEND

Directors Fail to Declare Payment on Common; No Statement

From Our Own Correspondent

MONTREAL.—Dividend on the common stock has been passed by Niagara Wire Weaving Co. Until January 2 last the company had been paying dividends on the common at the rate of 150 a share, but at that time the disbursement was cut to $1 a share.

Niagara Wire came into being in 1919 to manufacture pulp and paper machine wire cloth and machinery for the manufacture of same under the patents of Hamilton Lindsay. There was no public investment in the concern until April 1929 when the National City Co. offered preferred and common stocks in units.

Had Covered Dividends

Until lately earnings had been maintained at a satisfactory rate. The 1930 statement showed profits of $7.45 on each share of preferred and $2.45 on each share of common, compared with dividends of $3 and $1, respectively. Last year earnings on the preferred stock were equal to $5.86 a share and on the common $1.57 a share.

No statement has been issued by the management as yet giving its reasons for the passing of the common dividend. It is presumed that the lower trend of production in the pulp and paper industry has cut down the demand for the company's products, which in turn has limited earnings to a point where further dividends would encroach upon surplus.

Wabana Iron Ore Mine Operations Start

From Our Own Correspondent

MONTREAL.—Second shipment of iron ore from the Wabana Mine of the Dominion Steel and Coal Corp. has been dispatched to Rotterdam. Another boat is expected shortly to take a third cargo to Europe.

The surface haulage to the Scotia pier at Wabana was set in motion early this month, marking the beginning of another four-day working period in the mine. This officially terminated stockpile operations which were protracted well beyond the usual time this year owing to the late opening of shipping activities. A force of about 1,000 men are now employed in the company's plant.

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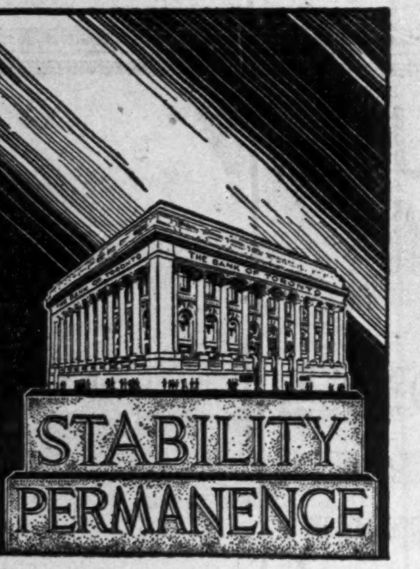
MONTREAL TORONTO WINNIPEG VANCOUVER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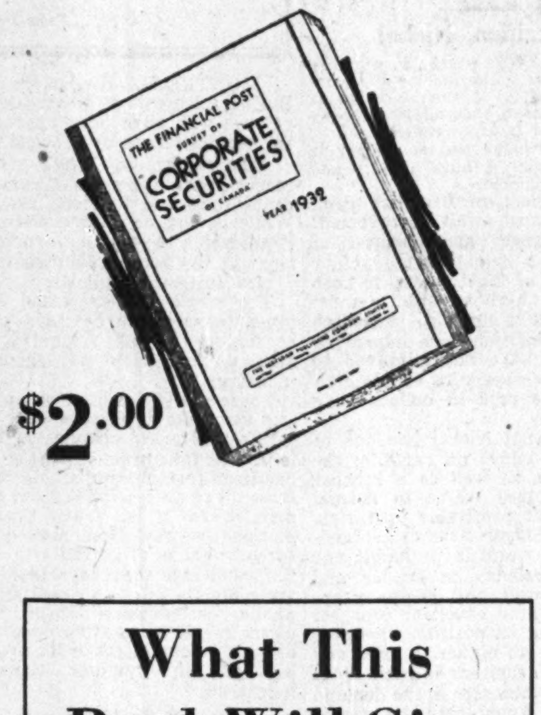

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What This Book Will Give You

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6. Details of capital reorganizations.
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8. Price range of stocks for 1931, 1930 and 1929.

JUST OFF THE PRESS

The Financial Post

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Ranking Fish Province

New Brunswick ranks third among the provinces of the Dominion in the value of its fisheries, being exceeded only by British Columbia and Nova Scotia. Some deep-sea fishing is carried on, but New Brunswick fishermen visit only the nearby banks in the Gulf of St. Lawrence or around the Bay of Fundy.

THE FOUNDATION COMPANY OF CANADA LIMITED AND SUBSIDIARY COMPANIES

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V. M. Drury L. F. Giblin C. B. McNaught Hon. F. H. Phippen, K.C.
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V. M. Drury, Vice-President
R. R. Holland, Vice-President
F. G. Rutley, Vice-President
C. E. Grearson, Sec.-Treas.
H. C. Link, Asst. Sec.-Treas.

CONSOLIDATED BALANCE SHEET

April 30, 1932

ASSETS

Capital Assets:		
Land	$ 29,303.53	
Buildings, Plant and Equipment	1,184,163.13	
Marine Equipment	595,583.62	
Furniture and Fixtures	12,586.62	
	$1,821,636.90	
Goodwill	1.00	
		$1,821,637.90
Sundry Investments		6,000.00
Current and Working Assets:		
Inventories of Tools and Supplies	$ 20,693.82	
Accounts Receivable	501,762.44	
Investment in Uncompleted Contracts	80,728.33	
Cash in Bank and on Hand	113,787.53	
Investments in Dominion and Public Utility Bonds at cost (having a quoted market value of approximately $306,000.00)	348,054.46	
Accrued Bond Interest	3,106.24	
		1,068,132.82
Note: Investments of a par value of $47,200.00 have been deposited as security on contracts.		
Deferred Charges		10,153.90
		$2,905,924.62

LIABILITIES

Capital Stock:		
Authorized—150,000 Common Shares of No Par Value.		
Issued — 84,600 Common Shares of No Par Value		$ 710,000.00
Current Liabilities:		
Accounts Payable and Accrued Liabilities	$293,048.18	
Bank Loans	315,000.00	
Dividends Payable May 15, 1932	10,575.00	
Reserve for Federal and Provincial Income Tax	17,199.82	
		635,823.00
Reserve for Depreciation		609,688.85
Reserve Against Contracts		288,636.13
Reserve for Fire and Marine Insurance		24,043.01
Surplus, as per Statement attached		637,733.63
		$2,905,924.62

Approved on Behalf of the Board:

R. E. Chadwick, Director
V. M. Drury, Director.

AUDITOR'S REPORT

We have made an examination of the books and accounts of The Foundation Company of Canada Limited and its Subsidiary Companies for the year ending April 30, 1932, and have obtained all the information and explanations which we have required; and we report that, in our opinion, the above Balance Sheet at April 30, 1932, is properly drawn up so as to exhibit a true and correct view of the combined affairs of The Foundation Company of Canada Limited and its Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO.
Montreal, June 14, 1932. Auditors.

CONSOLIDATED SURPLUS ACCOUNT

April 30, 1932

Balance, April 30, 1931		$607,012.06
Add: Profit for the year ending April 30, 1932, after providing $141,968.47 for depreciation		128,167.25
		$735,179.31
Deduct:		
Federal Income Tax, additional 2% in respect of year ending April 30, 1930	$ 5,420.68	
Provision on account of Federal and Provincial Income Tax year ending April 30, 1932	18,000.00	
Dividend of $0.87½ per share paid on Common Stock	74,025.00	
		97,445.68
Balance April 30, 1932		$637,733.63

MONTREAL
1538 Sherbrooke Street W.

TORONTO
Yardley Building

CAN. LOCOMOTIVE FUNDS WILL LAST TILL END OF 1933

Trustee Advises Bondholders Present Management is Best

Following upon the announcement that Canadian Locomotive Co. would not pay interest due July 1 on its 6 per cent first mortgage sinking fund bonds, bondholders are advised by National Trust Co., trustee for the issue, that the situation has been carefully studied during the past few months. The trustee is of the opinion that it is in the interest of the bondholders that the business should be continued by the company itself and that no useful purpose could be served at the present time by calling a meeting of bondholders.

In March, 1932, Edward Fitzgerald of the Dominion Steel & Coal Corp. and W. H. Winterrowd, vice-president of Lime Locomotive Works, New York, were asked by the trustee to investigate Canadian Locomotive with regard to the business outlook of the company. The investigators recommended that rather than take foreclosure proceedings or place the company in receivership, the present management should be allowed to continue with a drastically reduced overhead. It was held that foreclosure and sale would yield little result, at the present time, and that receivership was undesirable since if a receiver were appointed, the recommendation of the investigators to any receiver, would be to continue the present management to whom they referred in very high terms. The company agreed further to reduce overhead, and reports to the trustee that this had already been done.

Will Husband Resources

National Trust Co. points out that the company has at present liquid resources which will enable the carrying on of the business on the present drastically reduced scale until the end of 1933. While the bondholders will have to forego payment of interest during the period it is hoped that business conditions will have improved by the end of 1933 or that by that time there should be definite indications of better business in the locomotive industry.

Drastic curtailment of new purchases of locomotives by the Canadian railways has removed the chief source of revenue of the company which showed deficit on operations of $148,083, in 1931. The business which is highly specialized has always shown wide fluctuations in earnings from year to year and since 1911 when the company was formed it has been necessary to draw from surplus in nine different years in order to pay dividends. Preferred dividends, however, were paid regularly from 1911 to 1929. The skilled nature of the work done makes it necessary for the company to maintain a staff of experts through bad times in order to take advantage of good times.

DITCHBURN BOATS IS IN BANKRUPTCY CLARKSON TRUSTEE

Fall in Canadian Demand For Pleasure Launches Causes Failure

At the first meeting of creditors of Ditchburn Boats at Osgoode Hall, Toronto, on June 16, a statement of claims lodged against the debtor company showed preferred claims totalling $29,917, ordinary and unsettled claims of $50,089, and secured claims of $37,219, making a total of $117,225. Assets are valued nominally at $183,000. G. T. Clarkson was appointed trustee and all claims must be filed with him on or before July 2. The trustee obtained an order to permit completion of certain boats now under construction.

Owes Bankers $53,655

The principal claim is one for $53,655 owed to the company's bankers at Gravenhurst and secured by general assignment of book debts which are valued by the debtor at $16,263 and cash of $173.

The principal asset was a leasehold at Gravenhurst of 4.37 acres held from the Canadian National Railway for 20 years from Feb. 15, 1927, at annual rental of $210 and taxes. A number of brick, concrete, steel, frame and metal-clad sprinklered buildings are on it and the value is estimated at $60,000. Two frame metal-clad buildings erected on a similar leasehold at Orillia of one acre are shown at $25,000, and the whole of the company's freehold and leasehold lands with buildings thereon are stated to have a value to a going concern of about $89,800. Machinery, equipment and office furniture at Gravenhurst, Orillia and Port Carling are stated to have a value to a going concern of $32,200 and the stock in hand and second-hand boats at Gravenhurst, Orillia and Port Carling are stated to have a value of $60,000.

Present Operation Advised Against

At the meeting, Herbert Ditchburn informed those present that the debtor company had no proposal to submit to its creditors as the Canadian demand for pleasure launches is insufficient at the present time to enable the business to be operated profitably. If general conditions improve materially within a reasonable time, he then expected to be able to raise sufficient new capital to permit him to submit an offer. He stated that a claim for $14,640 had been filed by the Department of National Revenue for sales taxes representing sales taxes on boats of British registry. The company contended the regulations permitted these to be sold free of sales taxes and Mr. Ditchburn believes that such claims should be waived by the Department. Inspectors appointed at the meeting were A. H. Baillie, representing the Dominion Bank, R. P. Powell and Frank Smith, representing E. Long, Ltd., E. W. C. Sharpe, representing Robt. Bury Co., and George Thomson, representing Imperial Oil.

Vyle and Horne Lead In British Business

One of Them Comes Officially and Other Unofficially to Imperial Economic Conference at Ottawa

By JOHN A. STEVENSON

VYLE

In the group of industrial leaders who will accompany the British government's delegates to Ottawa in an advisory capacity, Sir Gilbert Christopher Vyle will occupy a prominent place if for no other reason than the fact that he holds the important office of president of the Associated British Chambers of Commerce which is the British replica of our Canadian Chamber of Commerce.

He is the son of a rather remarkable Welshman, the late Samuel Vyle, who was a pioneer in electrical development and had the distinction of organizing the first public electricity distributing station in Britain, and he was born in the ancient town of Hereford, on the Welsh marches, in 1870. His educational years were distributed between London, Glasgow and Nottingham and as his father was a firm believer in the future of electricity, his training was directed to make him a competent electrical engineer. When he had become adequately qualified for this rôle both by theoretical study and practical experience, he secured an appointment with the British Post Office but after a few years joined the service of the Colonial Office and got useful experience in electrical work in different colonies.

Consulting Engineer

But he decided that he had too little scope as a government employee and so before he was 30 he returned to England and set up as a consulting electrical engineer in Manchester. There he developed a good practice but he came to the conclusion that Birmingham offered better opportunities and so he migrated there. Having achieved considerable local prestige as an authority upon electrical problems of all kinds he got into an even more profitable field when he accepted an invitation to join the firm of W. & T. Avery Ltd., of Birmingham, which manufactures a variety of electrical apparatus. The outbreak of the war found him with heavy business commitments but he offered his services to the government and they were not refused. He was entrusted with the organization of the manufacture and design of aircraft for the Admiralty and later when the Munitions Board was formed, he was attached to it and was given a variety of duties. Mine sinkers, projectiles and the equipment of munitions factories, all in turn occupied his energies. His technical ability and organizing gifts were of great value in assuring to the British Army and Navy abundant supplies of first rate munitions.

Leader in Industry

For his services he was knighted and by the end of the war he had become recognized as one of the most competent industrial leaders in Britain. He returned to his business in Birmingham but he had gained the confidence of the British government and in the years which followed he was conscripted to serve on a number of Royal Commissions. Among the problems which he had to deal with in this capacity were decimal coinage, the waterpower resources of Britain and various applications for safeguarding duties. He was also made a member of the board which administers what is known as the export credits system; it scrutinizes all applications for guarantees under the Export Facilities Act and determines whether they are to be granted or not.

Is Protectionist Tory

In politics Sir Gilbert is a Conservative and a protectionist but he has never embarked upon a political career. However, he has been a public-spirited citizen of Birmingham and has taken a continuous interest in labor and economic problems. He has devoted a good deal of time to public activities in connection with the better organization of industry and trade and his occupancy of such offices as president of the Birmingham Chamber of Commerce, president of the Associated British Chambers of Commerce, president of the British Engineers' Association and vice-president of the Engineers and National Employers' Federation has entitled him to rank among the real industrial statesmen of Britain. He has been for years active in the councils of the Federation of British Industries. He is a great believer in the value of publicity and is president of the Birmingham Publicity Club.

It will be his function at the conference to tender the British delegates advice upon tariff and other problems likely to affect British industry.

HORNE

If fate had been kinder, Sir Robert Stevenson Horne might well have been one of the "star" members of the British delegation, for a decade ago he was Britain's Chancellor of the Exchequer and was counted by the political seers a possible future leader of the Conservative party. But it so happens that he is coming to the Conference merely in the rôle of an unofficial observer, who is however, by all accounts, animated by a definite purpose and intends to exercise all his influence for certain ends.

Robert Horne is the son of a Scottish manse, for his father was minister of the parish of Slamannan in Stirlingshire. Dying comparatively young, he left his family in straitened circumstances and young Horne had to be the chief architect of his own fortunes. He got a good education at a famous Edinburgh school, George Watson's College, and with the aid of a scholarship proceeded to Glasgow University. There he had a most distinguished academic career taking a number of university prizes; he specialized in philosophy and took first class honors in that subject. He also developed to his great profit in after life his debating powers at the University Union and served as president of the Conservative Club of the University.

His Academic Career

His fine university record opened the way for an academic career and he accepted an appointment as lecturer in Philosophy in the University College of North Wales at Bangor, where he probably made his first acquaintance with his future patron, David Lloyd George. But Horne had no real taste for academic life and his real ambitions had always lain in the direction of the bar. So when he had saved some money, he qualified for the Scottish bar and was duly admitted a member in 1896. His university reputation and the friendships which he had formed at Glasgow helped him but it was mainly through his own abilities that he began to collect briefs and acquire the reputation of being the ablest junior advocate in Edinburgh. In due course he took silk and became a K. C. and came to have one of the most lucrative practices in Edinburgh.

Loses First Elections

Always a strong Conservative, he had a natural flair for politics and gave his services freely on Conservative platforms. By 1910 he felt free to stand for Parliament but his native constituency of Stirlingshire, which he was asked to tackle, was strongly Liberal in its political faith and he was unsuccessful at the two elections held in January and December, 1910. However, he was content to bide his time and was fully occupied with his ever expanding law practice.

When the Great War broke out he offered his services and was given a commission in the Royal Engineers. The authorities, however, decided that it was unprofitable to waste his abilities in routine military work and so with the rank of colonel he was made Assistant-Inspector of General Transportation. In 1917, however, his services were transferred to the Munitions Board on which he served first as Director of the Department of Materials and Priorities and then as Administrator of its Labor Department. For his services he was rewarded with the K. B. E. in 1918.

Lost Out With Tories

His work on the Munitions Board had earned the admiration of Lloyd George who discerned in him a political recruit of great promise. So with the premier's encouragement he stood and was elected in 1918 as Conservative member for the Hillhead division of Glasgow and as soon as the election was over was brought into the Cabinet as Minister of Labor. He made good in this office and in 1920 was promoted to the Board of Trade. Lloyd George came to lean greatly upon his advice but there was some surprise when on the retirement of Bonar Law through ill health in 1921, the still youthful Scots' advocate was made Chancellor of the Exchequer. He occupied this office with general acceptance for more than a year and when the famous revolt in the Carlton Club occurred in 1922, he resolutely stood by Lloyd George along with Lord Birkenhead and other Conservative leaders who would not countenance the rebellion. This loyalty to Lloyd George cost Horne his standing in the Conservative party and when Mr. Baldwin came to form a purely Conservative Ministry in 1923 he did not offer Horne the Chancellorship but only the Ministry of Labor. He refused to take such a minor post and while retaining his seat in Parliament turned to other activities.

Offers of directorships flowed in to him and he soon became one of the leading figures in the City of London. Today he is a director of the Suez Canal, the Peninsula and Oriental Navigation Co., Lloyds' Bank, the Great Western Railway and the Commercial Assurahce Co. But most of his time is given to mining interests and he is president of the Burma Corporation, the Zinc Corporation and the Imperial Smelting Co.

While business is now his main interest, he has been a regular attendant of Porliament and continues to occupy a position of great influence in the Commons as an independent supporter of the Government. Lately he has emerged as one of the most ardent and effective champions of the bimetallic theory, possibly, as some say, because the Burma Corporation is a large producer of silver and he has also become a vigorous advocate of an inflationist policy. So he will attend the conference as a private missionary in the cause of a common stabilized currency for the Empire with a bimetallic flavor. Sir Robert is a bachelor and his social gifts and fame as a raconteur make him very popular in London society. He has frequently visited Canada and has many friends in the Dominion.

Coast Lumber Shipments

Vancouver, B.C.—British Columbia lumber shipments, by water, during the first quarter of the present year showed a slight increase over those of the similar period of last year. The figures of the Pacific Lumber Inspection Bureau show 129,317,049 board feet exported in the first quarter of 1932 as against 126,267,455 board feet shipped in the first three months of 1931—an increase of 2.4 per cent.

Bacon Sales Lower

Sales of Canadian bacon and ham to all countries for the first quarter of the year amounted to 7,752,000 pounds, as compared with 2,013,000 pounds in the first three months of 1931, an increase of nearly 285 per cent.

Quebec Ships Cattle

The first shipment of cattle to the British market from the Port of Quebec left last week, being 562 head, destined for Glasgow. Other shipments are scheduled to follow during the present season of navigation.

EXCHANGE RATE HIT BARCELONA SURPLUS HIGHER

Ordinary Shares Earned 81 Cents Against $1.12 in 1930

LIABILITIES DOWN

Operations Slightly Better Than in 1930; But Dividends Are Indefinite

Further depreciation of the peseta in terms of dollars reacted against Barcelona Traction, Light & Power Co. in 1931 and while gross and net earnings of subsidiaries showed a very slight improvement the gross revenue of Barcelona in terms of dollars dropped to $3,228,074 from $4,596,951 in 1930 and after payment of administration expense and bond interest the ordinary shares earned 81 cents in 1931 against $1.12 in 1930. Through passing of ordinary dividends during 1931 the company was able to add to surplus account although $400,000 was transferred to general reserve to increase that item to $700,000.

Depreciation of the peseta in 1931 is shown by the average of 10.48 pesetas per $1 in 1931 compared with an average of 8.39 in 1930. The range in 1931 was 12.07 to 9.14 while in 1930 the range was 9.78 to 7.48. While the exchange rate seriously affects balances received by Barcelona from its subsidiary utility enterprises in Spain operating statistics show progress and receipts in December, 1931, were higher than in the corresponding month of any preceding year.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Gross revenue	3,228,074	4,596,951
Less: Gen. admin. & reorgan. exps.	151,276	194,965
Prem. on bond redeemed w/o	48,667	48,667
	3,028,131	4,353,319
Less: Bond int.	1,567,770	1,687,000
Net profit	1,460,361	2,714,986
Less: Pfd. divd. paid	....	692,818
Ord. divd. paid	899,427	1,942,479
Surplus for year	560,934	79,689
Add: Prev. surplus	938,788	1,159,099
Less: Trans. to gen. res.	400,000	300,000
	1,099,862	938,788

While the company still shows an excess of current liabilities over current assets first shown in 1929 a substantial improvement in working capital position has been shown. Cash is up to $1,632,436 from $1,568,191; British government securities total $142,427 compared with temporary investment of $438,831 in 1930. Inventories have been reduced to $1,183,225 from $1,242,602 and receivables to $1,941,582 from $2708,729. On the other side, current liabilities have been reduced materially through bringing accounts payable down to $3,495,843 from $7,486,940. There is shown a temporary advance of $1,003,750 not shown in 1930:

Working Capital Position, at Dec. 31

	1931 $	1930 $
Current assets	4,899,670	6,037,295
Current liabs.	5,423,449	8,476,630
Excess of current liabs. over current assets	523,779	2,439,345

Fixed assets of Barcelona, after depreciation, are carried at $116,172,049 compared with $113,624,294 the previous year. Construction work, new or completed, included several small dams to raise the lake levels; a new steam plant at Figols; new power lines and distributing stations. Sinking fund investments were increased to $724,267 from $578,160.

General reserve fund instituted in 1930 was increased to $700,000. Total funded debt held by the public was increased to $70,887,298 from $70,808,231 through increase in funded debt of Spanish operating companies although the 6½ per cent 45-year bonds were reduced to $12,353,029 from $12,419,656. There remains outstanding $13,626,667 of consolidated 6½ per cent prior lien bonds and $8,163,833 5½ per cent first mortgage bonds. Bond interest was earned 1.93 times after depreciation. Reserves for taxes total $4,113,944. The 1,798,854 shares of no par value ordinary stock are carried at $39,555,900 while minority public interest in controlled companies remains at $10,232. Future payment of dividends will depend in large part on the exchange rate.

Steel Plate Construction
ERECTED ANYWHERE
THE TORONTO IRON WORKS LIMITED
HEAD OFFICE ROYAL BANK BLDG.
WORKS EASTERN AVENUE
MONTREAL: NEW BIRKS BLDG.

Five Months Permits Lowest Since 1920

Building permits issued during May in 61 cities reporting to the Dominion Bureau of Statistics totalled $5,289,506, as compared with $4,237,160 in April, 1932, an increase of 24.8 per cent, and $12,115,291 in May, 1931, a decrease of 56.3 per cent. Permits issued in the first five months of the year were valued at $18,190,794 as compared with $50,346,550 in the same period of 1931. This 1932 five months' total was the lowest recorded since 1920.

Quebec, Manitoba and Saskatchewan reported increases of 76.7 per cent, 458.0 per cent and 86.7 per cent, respectively, in the value of permits issued as compared with April, 1932. Of the declines in the remaining provinces, that of $220,001 or 84.5 per cent in New Brunswick was most noteworthy.

Of the larger cities, Winnipeg reported a higher total than in May, 1931, the comparative figures being $1,072,750 and $551,000. Montreal was greater than in April but less than in May, 1932, while in Toronto and Vancouver there were decreases in both comparisons.

Maritimes at Conference

At a recent meeting of Maritime Ministers of Agriculture, Deputy Ministers and others, it was decided to prepare a joint brief to be presented to the Imperial Economic Conference at Ottawa in July, setting forth the export and import trade possibilities of Maritime agriculture.

Gets English Order

The Canadian Wood Pipe and Tank Company, of Vancouver, has received large orders from Liverpool for wooden tanks.

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
61 Years in Business
Capital $2,000,000—Reserve Fund $3,200,000
The Company's Debentures are a legal investment for Trust Funds which may also be deposited in the Company's Savings Department.
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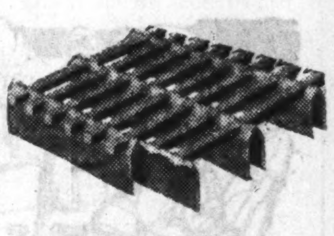

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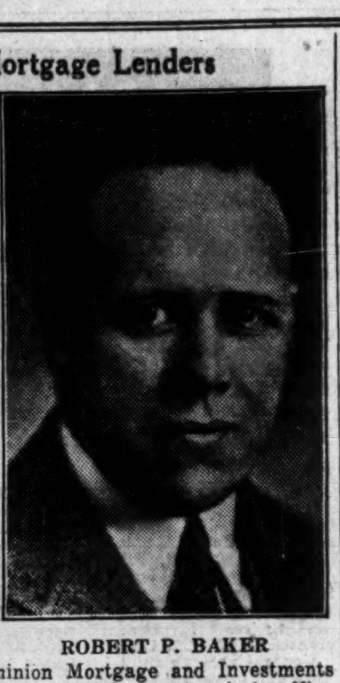
Direct Affairs of Mortgage Lenders

C. M. BOWMAN



ROBERT P. BAKER

At the annual meeting of the Dominion Mortgage and Investments Association the president, C. M. Bowman, was asked to remain in office for another year. Mr. Bowman is president of the Colonization Finance Corporation, affiliated with the loaning companies, but he is more particularly known as chairman of the board of the Mutual Life Assurance Company of Canada. His re-election to office is a tribute to his intimate knowledge of the three related subjects of finance, agriculture and politics.

At the meeting of the Land Mortgage Companies Association of Ontario, an affiliated body, Robert P. Baker, of the Huron and Erie Mortgage Corporation, London, was elected president, succeeding L. R. Young, of the Canada Life Assurance Company, Toronto.

HIGH TAXATION FIRST PROBLEM BEFORE CANADA

Mortgage Lenders Feel Prosperity Barred By Lack of Economy

By Staff Editor

LONDON, Ont. — The serious burden of the rising cost of government in Canada came in for earnest study at the annual meeting of the Dominion Mortgage and Investment Association. Leaders of business and finance made it clear that in their opinion the tax situation in Canada is desperate and that reduction in the scale of governmental expenditures and, as a result, in the level of taxation is the primary necessity facing Canada in its march back to prosperity.

Announce National Body

Charles M. Bowman, president of the Dominion Association, indicated that it was becoming increasingly difficult for people to take care of their taxes and at the same time meet their obligations to creditors.

The decline in commodity prices has brought about a financial and commercial situation which makes it impossible for the public to pay pre-depression rates of taxes, according to L. R. Young, who delivered the presidential address at the meeting of the Land Mortgage Companies Association of Ontario, an affiliated body.

Col. W. L. McGregor, president of the Canadian Chamber of Commerce, announced that the chamber was planning to organize a national committee, representative of all classes of business, to organize and educate public opinion as to the seriousness of the taxation burden and to press upon governments the need for economy.

Fewer Loans in West

In his presidential address Mr. Bowman said, in part:

"It is especially interesting to note the tendency which funds for mortgage investment have had in directing themselves as between the eastern and western provinces. The flow has quite markedly been from west to east.

"A wide range of legislation in the various provinces of the west, designed presumably to benefit the position of debtors but making it increasingly difficult for the mortgagee to enforce his contract, has undoubtedly been an important influence underlying this eastward movement of funds for mortgage investment, although it must be readily admitted that other economic factors have also been at work to effect the change.

"As a result of the recent rapid drop in farm values, the ratio of farm mortgage indebtedness to total value of farm real estate is probably at the highest point in Canadian history. Our western farms, however, are not, as a whole, so heavily encumbered as this statement would indicate. A recent survey of the farm mortgage indebtedness in twenty rural municipalities of the province of Saskatchewan revealed the fact that approximately forty-seven per cent of the farm owners in these municipalities have a clear title to their land. This state of affairs in the province in which conditions are generally conceded to be the most difficult is reassuring.

"Without exception the policy of the companies within this association has been one of leniency and forbearance in their attitude toward distressed mortgagors in the eastern provinces as well as in the western part of the Dominion. Agreements to suit the needs of individual cases have been effected so as to produce the greatest mutual benefit for borrower and lender alike. As at previous times in our history, there are, of course, a small number of borrowers who are taking full advantage of the shelter afforded by legislation intended to apply only to those in dire need and who are seeking to avoid respect for their personal contract, although in a position to honor it. On the whole, however, experience has not been too unfavorable. In spite of strained conditions, the mortgage still remains a satisfactory investment in Canada.

Burden of Taxation

"A problem in carrying on the business of lending which has become pronounced in recent years is that which has resulted from a phenomenal growth in taxation. I have reference not only to the effects which have been felt directly in the precipitous increases to which our associated companies have been subjected, but also to the indirect effects which have accrued from the additional burdens which have been placed upon our clients — a group which composes a large proportion of the total population of the Dominion. The taxpayer has found it increasingly difficult to meet his ordinary charges including taxes, and at the same time take care of obligations to his creditors.

"However trying the load may be, it naturally remains a duty to balance public as well as private budgets."

Price Drop Creates Problem

Speaking to members of the Land Mortgage Investments Association of Ontario, E. R. Young said:

"There is no easy road out of the present depression. The issues it presents must be faced, and faced squarely. Declining commodity prices have played havoc with every branch of trade; and the loss on inventory values has not merely eaten into such trading profits as industrial companies could make, but in many cases it has wiped out the equity of the shareholders in the business and a good proportion of the claims of creditors with it. It is futile to expect that the movement is going to change suddenly in the opposite direction and that an increase in commodity prices is going to bring a new prosperity to the world. We must and should reconcile ourselves for the time being at any rate to today's prices, or even to lower prices, and plan accordingly.

"This brings us face to face with the problem of taxation. It is safe to say that no business or industry can continue to operate in the future on the narrow margin of trading profit afforded by decreased commodity prices and at the same time bear the burden of taxation on a pre-depression scale. Unfortunately, instead of recognizing this solution, we find public bodies endeavoring to bolster up their declining revenues by increasing existing rates of taxation and imposing new levies. Such a process is a case of 'biting the hand that feeds' and only serves to dry up the sources of revenue upon which the taxation is imposed.

Must Cut Expenditures

"If then municipal, provincial, and Dominion taxation must be lowered, it follows that government expenditures must be drastically reduced. When times are good and it is easy to raise money by taxation, it may be desirable to levy on the people of a community in order to establish and maintain many works of a public nature, which, in times of depression, must be looked upon as luxuries. Money spent on unemployment relief, doles, and charity, while undoubtedly necessary, is in the nature of a palliative and does not go to the root of the real trouble. The only cure for the situation is to get the wheels of industry turning again so that more and more men may be employed until the surplus of man power is once more at work. As long as human nature is what it is, men will not pursue trade and industry, risk their capital and expend their energy unless they see a reasonable expectation of a profit. At the present time taxation is so heavy that it is stifling the initiative of those who otherwise would take the risks involved in carrying on their present businesses or opening up new lines of endeavor. The first and foremost duty of all persons entrusted with the expenditure of money raised by taxation should be to reduce those expenditures drastically.

Money Diverted From Trade

Col. McGregor said, in part:

"As business men, moreover, we must be the more anxious when we realize that all our available resources are today needed to keep our governments out of default. Not a week goes past, it seems, but that some municipality or province comes to business cap in hand for a loan. We cannot afford to tie up our money in such fixed investments for who knows but that we might not need every available nickel tomorrow in order to do business? A friend of mine recently endeavored to raise funds for a client and a leading investment banker stated that there would be no funds for business expansion for some eighteen months for everything would be required to keep governments out of insolvency. The fundamental objection to these loans is that for the most part they are needed to cover current deficits which should have been met out of current revenue. Unusual conditions may modify such an opinion but the rate of deficit seems to be colossal.

"And yet there seems to be but negligible diminution of government expenditure.

"We believe that business stability is in danger of being seriously jeopardized by the present heavy tax invasions of federal, provincial and municipal governments on its revenue and that business men should make their opinions publicly known on this question. Our next job is to make detailed analyses of public expenditures and to suggest the curtailment or suspension of those activities of government which if curtailed would not result in suffering but only in the diminution of what amounts to a luxury or what is not absolutely vital to the life of the municipalities, the provinces and the nation.

"Our present public financial situation is largely the cost of public indifference. I conceive it to be the responsible duty of organized business today to assist toward overcoming governmental inefficiency and over-spending."

Membership of the association remains at 51 companies, being 17 loan companies, 13 trust companies and 21 insurance companies, with total assets under administration of $3,356,312,528 as at December 31, 1931.

Growing volume of municipal taxation and particularly tax arrears are giving trouble to the association. Executive committee reported that during the past year the tax collecting authorities have relied more upon third parties, such as mortgagees, paying the taxes than upon the owner or occupier of the land. It was estimated that in Alberta it would require $30,000 for each $1,000,000 of outstanding mortgages to protect mortgaged lands from going to tax sale and thereby incurring further charges against the land ranking ahead of first mortgages. In Saskatchewan the corresponding figure was $45,000. The position is further illustrated by the ratio of taxes collected to those levied in recent years in Saskatchewan. In 1928, for instance, the proportion collected to the amount levied was 67.26 per cent; in 1930 this had dropped to 41 per cent approximately, and in 1931 the percentage was still lower.

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No. 61

Travel is Part of Twentieth Century Standard of Living

TRAVEL BECOMES GREAT INDUSTRY; ENRICHES WORLD

Economic, Social and Intellectual Benefits Stressed

Tourist travel has become a great and unique industry. Perhaps no single phenomenon better reflects the new and higher standard of living in the twentieth century than the extent to which people now enjoy the educational and recreational values of travel.

Canada offers to the visiting tourist a wealth of attractions possessed by few countries. There is the scenic beauty of the Maritimes, the old-world charm of Quebec, the world-famed Niagara and the grandeur of the mighty Rockies, to mention only a few, while, in all the provinces, countless lakes, rivers and forests provide unrivalled facilities for fishing, hunting and both summer and winter sports. Great modern cities compete in appeal with regions of almost primeval wilderness; from roadside camp to palatial hotel, the tourist may take his choice.

One of Major Industries

The tourist trade, which represents the economic disposition of our scenic wealth, our natural facilities for sport and our enjoyable and healthful climate, has become one of Canada's major industries. Of our exportable commodities, only wheat and paper rank with it in importance and wheat, which until 1930 stood first, was, in 1931, less than half the value of the tourist trade. Thus the "invisible" export represented by the tourist trade is a favorable balance which helps to maintain health in our outside financial relations. Had it not been for this export, the foreign exchange value of the Canadian dollar would, undoubtedly, have fallen to much lower levels in 1931. While down considerably from the high level of 1929, the tourist trade has been relatively less affected than most industries by the prevailing economic depression.

In estimating the net advantages of the tourist trade to Canada there is a considerable counter account. Canadian tourists to overseas countries are almost three times as numerous as overseas tourists to Canada. A motor tour in the United States is an increasingly popular form of holiday and large numbers of comparatively wealthy Canadians habitually visit the United States winter playgrounds in the south. In view of the fact that Canada's population is less than half that of the United States and automobile ownership much less in proportion, the number of cars sent across the border and the amount of Canadian holiday expenditure in the United States constitute a rather remarkable showing.

Apart from the direct benefits of tourist expenditure, tourist travel has many important if less tangible results. Demand for Canadian products is stimulated, even after the tourists have returned home. The wider knowledge of Canada's great and varied resources must inevitably result in a greater flow of capital to such a safe and profitable field for investment as that provided by their development, more especially when the present temporary difficulties are surmounted and a new tide of prosperity sets in.

Cost of Travel Is Cut Despite Higher Taxation

In all branches of travel and recreation an effort is being made to bring costs down to the 1932 pocketbook.

Railways are offering excursion rates that in some cases are unbelievably low.

Steamship companies have developed all-expense tours that can be enjoyed at an expense not much greater than staying at home.

Hotels have reduced their rates, particularly the summer hotels and the tourist resorts.

Only gasoline and hospitality taxes, amusement taxes at theatres, and other holiday costs chargeable to governments, have increased. But even the governments haven't been able to think up enough taxes to use up more than a small part of the travel savings effected by the companies catering to the holidayer and to traveller.

FLOATING HOTEL TAKES ITS GUESTS ON WORLD CRUISE

Empress of Britain Puts Modern Apartment House to Shame

The latest thing in real estate dealers' advertisements has been achieved—but not by realtors! Steamship agents are responsible! It hasn't happened yet, but it won't be long before something like the following may be expected to make its appearance.

"Five room apartment, bath and shower, h. & c., in all bedrooms, verandah, trunk room, spacious living-dining room, large bed-room with sea view, washed and temperature-controlled air, trans-Atlantic telephone, restaurant serves free meals, bargain for winter months at $50,000 completely furnished. Well trained servants included. Smaller apartments at various rents from $2,250."

Compared with an apartment building of the same magnitude on shore, the world cruise undertaken each year by the Empress of Britain, flagship of the Canadian Pacific fleet, offers a service such as an apartment operator on land could not attempt.

For $2,250, to take the minimum fare, a passenger gets transportation around the world from New York to New York in an easterly direction, shore trips included, lasting 128 days. He or she travels in a room that is too large to be called a cabin, has nine decks on which to exercise, dance, drink tea, flirt, play cards, is provided with meals that would tax the ingenuity of an apartment house chef, and has such magnificent public rooms as the Mayfair Lounge, Empress Room, the William and Mary Library, Spanish Card Room, Cathay Lounge and fantastically humorous Knickerbocker Bar in which to play and entertain.

This apartment house of the seven seas in addition to providing more than the comforts of home takes its tenants to Madeira, Gibraltar, Algiers, Monaco, Italy, Greece, Palestine, Egypt, India, Singapore, Java, the Philippines, Japan, China, Hawaii, San Francisco and Los Angeles, Panama and Havana before returning them to New York. It carries a staff of trained hosts who organize entertainment for their guests, manage trips ashore and look after their every want—all for less, according to the means of the various tenants, than their winter ashore at home or at a winter resort would cost.

At no time during the whole voyage is the Empress of Britain out of telephone touch with Canada or Great Britain. During her world cruise of 1931-32 the big liner's phone calls set up several new records. Montrealers talked to friends on the ship as she lay at anchor in Haifa, Palestine, 7,000 miles away. News was received from Australia while the Empress of Britain was in the Red Sea and a telephone conversation was carried on between Yokohama and London.

Largest World Cruiser

The Empress is the largest and fastest liner ever to cruise around the world and is the only world-cruising liner equipped with a full, championship-size tennis court on deck and rackets court between deck. She has two swimming pools, the magnificent Olympian Pool on D. Deck and a sunken Lido on the forward promenade deck. Two fully equipped gymnasiums are at disposal of the tenants without extra charge and in conjunction with the Olympian Pool a Turkish bath is operated by trained attendants. For the children there are two nurseries.

SAILING LISTS SHOW INCREASES OF HEALTHY SIZE

Definite Upward Trend Revealed by Advance Bookings

With returning confidence in general conditions, and recent reductions in steamship rates, there is a distinct increase in the number of passengers sailing every week for British and European ports.

As an evidence of this, the Cunarder "Ausonia" and the Anchor-Donaldson liner "Letitia" sailed from Montreal last week with some fourteen hundred passengers on board bound for Plymouth, Havre, London, Belfast, Liverpool and Glasgow.

As these crack liners pulled away from the dock the hundreds of happy passengers vainly trying to check their departure with colored streamers thrown to friends ashore, it was strongly reminiscent of the heavy bookings of a few years ago.

Advance bookings for ensuing sailings confirm the impression of a definite upward trend.

Pleasant View House
North Hatley, Que.
On Lake Massawippi
95 Miles from Montreal.
Golf, Tennis, Boating
Fishing

"DEPRESSION?"
Has it worried you?
FORGET IT!
— for a few days at —
HOTEL QUINTE
Belleville, Ont.
100 rooms, 50 with bath
Golf, Tennis, Fishing, etc.
Why not this Week-end?

Frontenac THOUSAND ISLANDS CAMP KINGSTON ONTARIO for Girls

Camp for girls. Horseback—Canoeing—Tennis—Riflery—Swimming—Fishing—Red Cross and Royal Canadian Life Saving—Exceptional Table—Trained Nurse. Two weeks terms to 10 weeks. Member Camp Directors Association. For information write

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is at its best in the immediate vicinity of
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French River, Georgian Bay
Black Bass, Pickerel, Muskies — in unfrequented waters
Splendid Bungalow accommodation
(Rate $18.00 per week up)
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and return aboard the 27,575 ton liner
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9 Days of fun and freedom —all the thrills of an ocean trip—meals and berth included $60 per berth
Plenty of good accommodation at the minimum rate. A whole day in New York—no hotel expenses, eat and sleep aboard the ship. No passports required. ONE WAY fare $40 per berth—4 days. Automobiles $30 each way. ALL sailings leave from and return to Montreal, stopping at Quebec both ways.
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Apply to any agent or White Star Line, 485 McGill Street, Montreal, Ma. 7761 or 55 King Street E., Toronto, Tel. Elgin 9116.
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Plan your holidays with the aid of inexpensive Long Distance. A timely call assures the accommodation you want; enables you to check up on many details. While away, use Long Distance to keep in touch with home.
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Royal Muskoka
The atmosphere, the attractiveness of the Royal Muskoka Hotel remains undimmed.
The accessibility of the Muskoka Lakes should appeal this year.
Something for 1932: Prices lowest on the continent for service provided — low railway fares — no taxi hire to play golf — ask a last season guest about the food.
Mrs. Ernest Greene, of Toronto, has charge of all Bridge activities.
Don't overlook the Daily Cruise of the Muskoka Lakes — 240 minutes from Toronto, train or motor.
Write for map folder. Royal Muskoka Hotel, Lake Rosseau.

English Grill Room
Twin Bed Room

In Windsor
the NORTON PALMER
Sample Rooms Give You More
—Built-in Tables
—Large and Airy
—Well-Lighted
—Well-Ventilated
—Murphy Folding Bed in each room
—Bathroom with tub and shower
CAFETERIA and ENGLISH GRILL
SAMPLE ROOM RATES
$4.00 - $4.50 and $5.00

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THE FINANCIAL POST

SECOND SECTION

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New Brunswick Now Looks Ahead With Great Confidence

LARGE INFLUX OF TOURISTS ANTICIPATED

Current Season Starts in With Encouraging Results

GAIN LAST YEAR

New Brunswick Was One of Two Provinces to Show Increases in 1931

New Brunswick was one of two provinces in Canada to record an increase in tourist traffic last year. Motor tourist trade from the United States showed a gain of 8 per cent and official figures showed that 58,954 automobiles crossed the U. S. border into New Brunswick in 1931.

These facts are encouraging. They indicate that despite restricted industrial conditions the intangible wealth derived from tourism has been maintained, that there is a growing realization of the attractions of the province and that visitors are well content with what they find in New Brunswick.

There are few forms of publicity better than the spoken word. The steady growth of the tourist industry in New Brunswick in the past five years proves that the word has been retailed from one traveller to another regarding what the province has to offer as a holiday centre. Tourism has now become one of the most vital factors in the economic life of the province.

Present Prospects Bright

Prospects for the current year are encouraging. The present season has started well and tourist business has been maintained to date; indications are that 1932 will witness still another gain in the number of visitors to the province.

There are two reasons for this. In the first place the American dollar in Canada goes farther today than it did at this time last year. A premium on exchange is a considerable inducement in considering a location for a holiday. Consequently it may be expected that the influx from the United States this year will be greater than ever.

Canadians, through the exigencies of circumstances and the fact that their own currency has depreciated in comparison with the U. S., will tend to restrict their travels to Canada to a greater extent this summer. More and more Ontario and Quebec are looking toward New Brunswick as a holiday centre and in view of the currency situation it is anticipated that the province will entertain more guests from Upper Canada than has been the case heretofore.

Gets Bulk of Business

There is one point in connection with U. S. tourists which should be mentioned. Last year the total number of foreign automobiles entering the three Maritime provinces amounted to 60,662. The number in New Brunswick alone was 58,954. It is clear that practically all the United States tourists who entered the Maritimes by car passed through the Province of New Brunswick.

Thus by its strategic position, the province shares in a large measure the tourist trade of both Nova Scotia and Prince Edward Island. It is closest to the New England states and also to central Canada; it can be assumed therefore that it will retain always this major share of entries from the United States.

Publicity Work Sound

What has been responsible for the rapid growth of this tourist traffic? Publicity for one thing has played an important part. The Bureau of Information and Tourist Travel has been indefatigable in the past few years in telling the world about New Brunswick. Seeds thus sown have been reaped a hundredfold. Repeat business in the tourist industry has been noted on a large scale; what the Bureau is anxious to get is the class of traveller who does not know the province; the others can be trusted to come back.

The provincial government has worked to secure the attention of tourists in other ways. In these days of the ubiquitous automobile good roads are essential; if motorists cannot be sure of a good highway in one part of the country there is scarcely any inducement which will attract them. They will turn their cars to a province where they know of good roads even though they have no other particular reason for going there.

Builds Good Roads

New Brunswick, therefore, has devoted its attention to laying down good roads. It has the attraction of wonderful natural resources but it has been quick to realize that without sound highways, travellers will not come to enjoy the beauties which exist. In 1931 the province spent $4,006,000 on its highway system.

Expenditures last year naturally had to be restricted to essentials and the 1931 outlay on new roads and maintenance was about $3,000,000 less than in the previous year. But in the two preceding years approximately $14,000,000 was spent on this account, an indication of the province's policy of improving highways.

Highlights of the roadway programme this year was the official opening of a new road joining Campbellton with St. Leonard a distance of 98 miles. The feature of this highway is that it cuts 100

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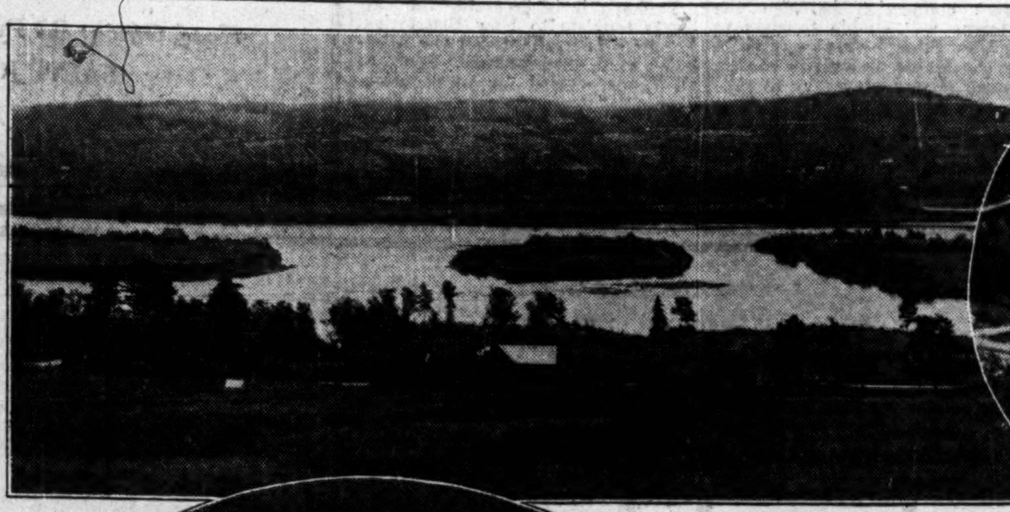

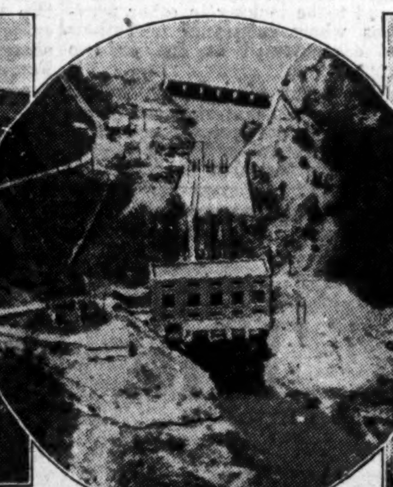

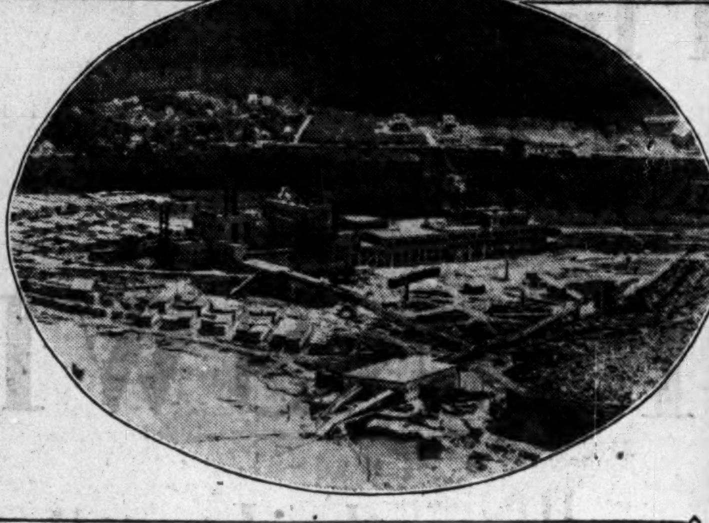

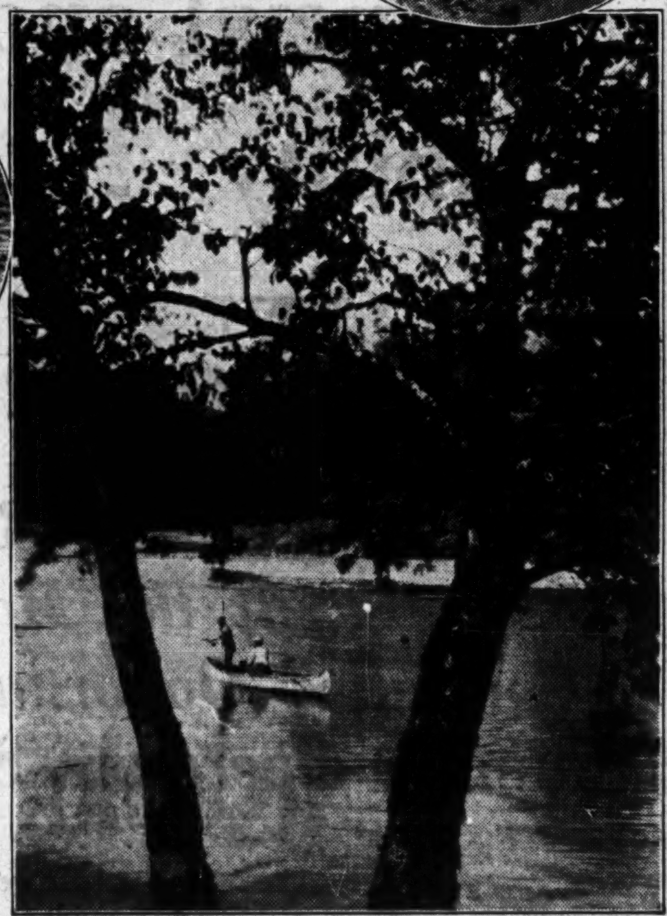

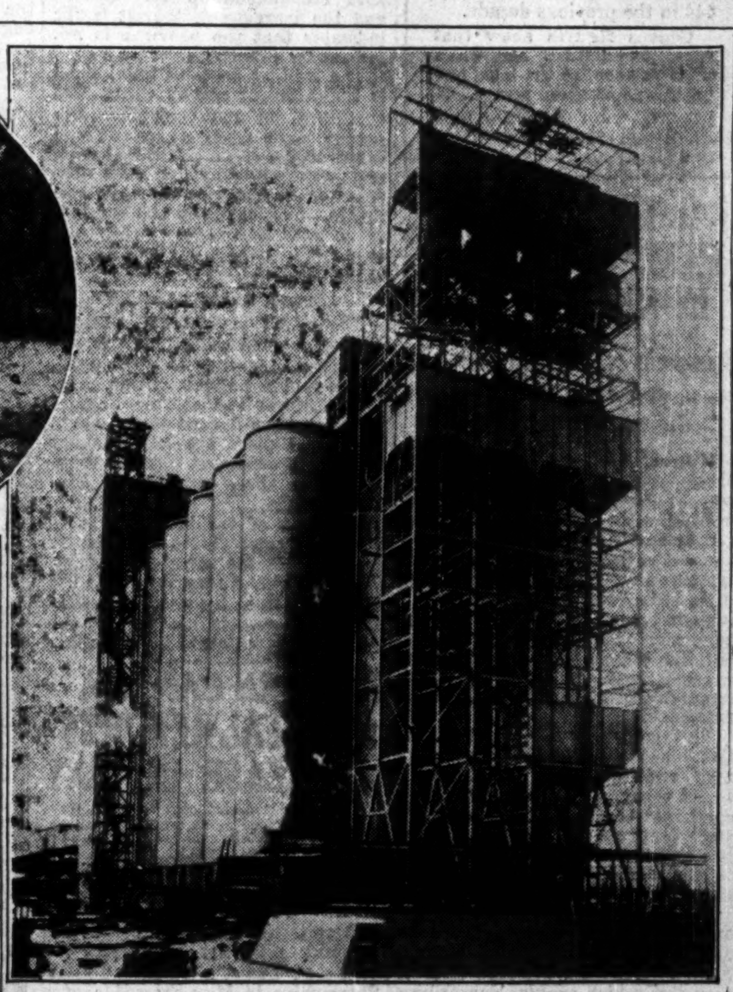

Few provinces in Canada enjoy such a wide diversity of economic endeavor as does New Brunswick. The vast forest wealth of the province has attracted tens of millions of capital for the establishment of sawmills, pulp and paper plants. The water powers of the province are coming under development, more especially in the past three or four years. The farm lands are rich and productive. Mixed farming is carried on in all parts of the province and there is plenty of room for expansion. Dairying, livestock raising, field crops, bee-keeping, orcharding and fur farming are some of the major activities on New Brunswick's agricultural lands. The lakes and streams and beauties of the countryside attract thousands of visitors each year from other provinces as well as the United States. Sea waters are on two sides of the province and maritime industries are prominent. The presence of a number of ports, notably Saint John, provides a large volume of commerce passing in and out of the province. Port operations at Saint John are on an all-year basis, the waters being free of ice. The pictures in the layout give some idea of the variety of activities to be found in New Brunswick, the largest of the maritime provinces.

Province Hopeful Of Empire Markets For Lumber Output

Results of Imperial Conference Hold Key to Resumption of Great Saw-Mill Activity—See Prospective Market for 200,000,000 Feet Annually

WOULD BRING PROSPERITY TO PROVINCE

The forthcoming Imperial Conference is one of the leading topics of conversation today, but the man in the street, unless he has studied some specific phase of the many angles involved, is apt to refer vaguely to the "benefits which may result from discussions at Ottawa." It is true, of course, that many individuals, business men and manufacturers, have made a careful study of the situation, much information has been collected and many briefs prepared by different industries. But the average man is somewhat lost in a maze of trade discussion.

Not so in New Brunswick. Ask any man there about his views on the conference and nine out of ten will immediately refer to the prospects which it holds for an improvement in the lumbering situation in the province. If the sales of New Brunswick lumber, he will say, could be re-opened in Empire markets, if the industry could, through the medium of increased trade be speeded up to normal levels, activity in the Province would take on an entirely new aspect.

Knows What He Wants

This unity of thought is encouraging. The province knows what it wants and doubtless will make strong representation to the conference with a view to improving conditions in one industry. In Upper Canada there is a wider diversification of activity. In Quebec, and Ontario, for instance, there are a multitude of industries which are eagerly looking forward to present their briefs at Ottawa. If the conference brings benefits to any one of these, much will have been accomplished. But a solution of the problems of one industry will hardly find reflection in those provinces' prosperity as a whole.

In New Brunswick there has been and still is a steady widening of industrial growth, but there are still two phases of industry on which the prosperity of the province may be said largely to rest—lumbering and fishing. Of these, lumbering is the most important.

Industrial Expansion Noted

It is not to be assumed that New Brunswick is dependent upon forestry production alone. In recent years there has been a marked expansion of industrial operations, and, as a whole, these have been maintained at a reasonable rate in the past two difficult years. But it is equally true to say that the drastic slump in lumbering and saw mill operations has tended to hold back New Brunswick from going forward along its true course.

In years gone by, lumbering was the chief form of activity in the province. The vast stands of timber provided a rich harvest. The natural geography of the province with its numerous streams and rivers facilitated log driving and in all parts there sprang up communities which for generations were dependent on the forest for a living. In 1930, the sawmill industry ranked second in the industries of New Brunswick. The pulp and paper industry led all others with an output of $12,614,000 and sawmills followed with an output of $8,564,000.

Many Workers Employed

The integral part which lumbering plays in provincial employment is seen in the fact that sawmills employ more workers than any other industry in the province. At the end of 1930, there were 308 sawmills employing 4,499 workers; these figures topped any other individual industry in New Brunswick.

But world markets for Eastern Canada lumber have gradually fallen away. Demand has steadily contracted and output of sawn lumber for New Brunswick has shrunk from a level of around 300,000,000 ft. to around a level of about 62,000,000 ft. annually. The lumber is there for the cutting, but markets are lacking.

Empire Trade Prospects

It is easy to visualize what effect an impetus in lumber sales would bring to the province. It has been estimated that New Brunswick could supply annually sawn lumber equal to 200,000,000 ft. suitable for Empire markets. Actually shipments of this volume involve a cut of 300,000,000 ft. Now compare this with the present annual cut of sawn lumber of 62,000,000 ft.

That is the reason why New Brunswick does not refer in vague terms to the Imperial Conference. If some trade agreements could be made whereby a British market were opened up for New Brunswick lumber the whole industry would be galvanized into activity. If a stimulus could be afforded to this one industry alone the province as a whole would benefit most substantially.

Employment Stimulated

Assume that 300,000,000 feet of sawn lumber cut in one year, that is based on the finding of a market for 200,000,000 feet of sawn lumber. If this was established it is estimated that 10,000 men would immediately find employment in the woods. Another 7,500 workers would be needed for log driving operations and another 6,500 in the sawmills. In short, a total of 24,000 workers would be required involving the distribution of $2,500,000 in wages alone.

The importance of the Conference to New Brunswick, as it relates to the lumber trade, now becomes clearer. In addition to labor, an additional $1,500,000 would become involved in the purchase of goods, and equipment required for activity in the woods and mills. Purchasing power would be increased and other industries would benefit from the increased circulation of money. The wheels of internal trade would start moving as trade within the empire began.

Less Work in Woods

Years ago—in normal years for the lumber industry—these 24,000 workers were employed. Today the number is off about 70 per cent. In 1930-31, there were actually only 30 per cent of the normal volume of workers engaged in the lumber industry in New Brunswick.

It is stated that the province could fill an annual demand for 200,000,000 feet of sawn lumber with ease. Estimates show that its forests hold over eleven billion feet of soft wood and nearly eight billion feet of various hardwoods. It could supply Empire markets with spruce, pine, cedar, hemlock and fir in vast quantities, and yellow birch, white birch and maple in equal volume for hardwood.

It has been estimated that of the 17,500,000 acres in the province, about 7,500,000 acres are Crown Lands and mostly timbered. As the province is everywhere drained by large rivers with innumerable tributaries, lumbering can be carried on advantageously wherever there is timber. From all points in the

(Continued on page 14)

Stability of Province Shows to Advantage

New Brunswick Has Kept Its Head Throughout Crisis — Business Conditions Cannot Affect True Wealth of Mighty Resources

Comparisons, it is said, are odious, but it is necessary to make comparisons to obtain a correct picture of New Brunswick as it stands today. For the province provides a profoundly interesting study in the effect of business conditions on different parts of Canada.

New Brunswick is still concerned with fundamentals. In the more thickly populated districts of Canada, individuals were apt to forget fundamentals for a time. Finance and its intricacies tended to overshadow the basic things of life. Now, the majority of people have got back to fundamentals, but it has been a hard road back. In New Brunswick, though, mostly everybody has been there all the time.

People Have Kept Their Heads

The result is more stability. It is often said that the Maritimes are slow to reflect prosperous times in Upper Canada, and slow to feel the effects of depression. But just because it has been said often, it is no less true. New Brunswick kept its feet on the ground in the boom days, and when the world was rocked by an economic crisis, it had a firm stance. It kept its eye on the ball of fundamentals while other sections were peering up the fairways as they swung at business with new clubs they were not accustomed to.

To explain this strange simile here is a case in point. A New Brunswick industry, which had a long and proven record, was recapitalized some years ago. Investment bankers realized its worth but were possibly carried away with over-enthusiasm. The new company was refinanced on a wide scale; investors eagerly sought an interest in the New Brunswick company, and prospects were rosy. Then came the crash. A reorganization was effected, many investors were dismayed and saw, as they thought, ruin to the industry.

But in many parts of New Brunswick the reorganization, the cutting of capital, and the investors' loss, meant little or nothing. What residents of the province were concerned with were fundamentals. The property was still intact; the plant was still running, and various other details were still virtually unchanged. The majority of New Brunswickers were not interested in financing. They were concerned with more basic things, and these basic things still remain as good as they ever were—even better.

More Concerned With Plant Operations

This is just a case in point, but it serves as a specific instance in a general thesis. All over New Brunswick are industries which have not worried about new financing, stock distribution and investment angles. They have kept their noses to the grindstone through good times and bad. The result is that the wave of psychological depression which struck business centres in some parts of Canada for the most part passed over New Brunswick. It is discouraging for business executives there, of course, that sales have tended to decline, that times are bad; but they have confined their worries to their own businesses. The agonies of St. James Street have not been for the majority; they have been concerned with fundamentals.

It is futile to say that the depression has not hit New Brunswick, for of course it has. There is short time in the industrial plants, there is unemployment and there is some hardship. But in the main it is true to say that the psychological effect of poor business conditions as felt in financial centres of Upper Canada, is missing.

It is, however, an encouraging situation and its relation to New Brunswick should be borne in mind. The tremendous resources of the province remain as strong as ever. Its people still retain an unchallenged faith in their countryside.

Such a stability speaks more for the merits of New Brunswick than words. The opportunities which it offers to industry are reviewed elsewhere, but in addition to these opportunities the stability of the province's character should also be considered.

Million Case Sale Waits for Sardines In Imperial Market

Empire Preferences Would Throw Open Channels to New Brunswick Industry and Bring Back Conditions to Normal Levels

PROVINCE LARGEST PRODUCER IN EMPIRE

The sardine and pickled, dried and smoked fish industries play an important part in the industrial life of New Brunswick. These industries are primarily concerned with export trade. Wide outlets have been found in Empire markets and foreign countries. The Imperial Conference, if it leads to a stimulation of Empire trade, will have a marked bearing on the future of these divisions of New Brunswick activity.

In the sardine industry alone it has been estimated that markets for 1,000,000 cases of sardines are available within the Empire. This industry is a tremendous exporter, shipping its output to all portions of the globe. It may be taken as an excellent example, therefore, of a situation which might be substantially improved by inter-Empire trade.

Fish Values Lower

Fishing is one of the mainstays of employment in the province, but the value of the catch has declined to levels which allow but a marginal return to the fishermen. Shippers of canned and dried fish have experienced unheard of difficulties in their export trade due to depreciated currencies and tariff walls.

Take for instance the sardine industry. This phase of activity in Canada is confined to New Brunswick. A rich harvest is culled from the seas each year and packed in modern factories; in New Brunswick, in fact, is the largest sardine packing plant in the world. The whole industry gives employment to some 2,500 individuals and its output has an important bearing on the welfare of fishermen. For raw material is purchased from New Brunswick fishermen who derive substantial sums from their sales to the packing plants.

Empire Market Prospects

At the present time about 35 per cent of the output of the sardine industry is marketed in the Empire outside of Canada. Large quantities are sold in foreign countries but it can be seen that increased inter-Empire trade would mean much to the industry as a whole as well as for the province. An increased market for canned sardines would strengthen the income of the fishermen as well as those employed in the manufacturing plants.

The sardine industry already makes substantial purchases from Great Britain each year for raw materials required for packing. Present tariff preferences granted to some of the British countries aid the situation but it is certain that representations will be made at the forthcoming Conference to have these preferences maintained and, in some cases, increased.

Tin Plate Purchases

Tin plate is one of the largest purchases required in the sardine industry. Oils are also bought in substantial volume. Consequently it may be expected that the industry will seek some readjustment of tariffs in this regard with a view to promoting the free entry into Canada of these commodities.

Those close to the industry are enthusiastic over the possibilities which could arise from a furtherance of Empire trade. If the Canadian sardine industry, they say, had a fairly free access to the markets of the Empire, channels would immediately be opened up for an output of 1,000,000 cases of sardines. The only sardine factories in the Empire are one or two small units in England; otherwise New Brunswick, with the greatest feeding ground for fish in the Atlantic along its southern shores, has the field to itself.

Change Aspect of Employment

Manufacture of 1,000,000 cases of sardines in a year in New Brunswick would change the whole complexion of the fishing industry. Fishermen and others employed in the industry, directly or indirectly, would stand to receive an additional $1,000,000 in wages annually while expenditures on other raw materials would be increased.

The British Empire is a large consumer of sardines. Australia and South Africa, for instance, have a larger per capita consumption than Canada. In Asia and North Africa there is a large consumption but in these British possessions it is unfortunate that large purchases of foreign sardines are made. Granted some kind of Empire preference detailed surveys show that a market of 1,000,000 cases of Canadian sardines could be thrown open to the New Brunswick industry.

Purchases in England

The industry, moreover, has a strong bargaining position. In recent years the industry has been spending increasing sums on purchase of raw materials in Great Britain. For every case of sardines made in New Brunswick last year the industry spent about 80 cents in Great Britain. This compared with 77 cents a case in the previous year and was almost double the sum spent in the year before that. Under normal conditions it is likely that at least $1 a case would be spent in England for raw materials.

Smoked Fish Outlook

As regards the pickled, dried, and smoked fish industry, for years the major portion of shipments has been made to the West Indies where a wide market was established. But recently, as far as the New Brunswick industry is concerned, this trade has been sharply curtailed due to competition from foreign shippers.

There is a substantial investment in this industry and in certain portions of New Brunswick, such as the Bay of Fundy, Miramichi and Bay of Chaleur districts a great proportion of the residents are dependent for a living on selling their catch which is ultimately exported. But conditions are such today that their products can hardly be exported profitably.

Another case is Grand Manan which is the chief producer of smoked herring in the province. Some idea of the effects of foreign competition on these people, who are virtually solely dependent on the industry for a living, is seen in the fact that a normal pack of 350,000 cases has fallen away to 175,000 cases and to date only about half that figure has been marketed.

Benefits of Empire Trade

Here again, then, is a notable example of what might result from a stimulation of inter-Empire trade. It is not a large industry but it serves clearly to show how a section of the province of New Brunswick might be given unwonted industrial activity through favorable trade agreements within the Empire.

The canned lobster industry might also be relieved of undue competition which exists from Japanese and Russian crab meat which

(Continued on page 14)

N.B. INDUSTRY SHOWS SIGNS OF BROADENING

Development of Secondary Manufactures is Noticeable

FORESTS IMPORTANT

Pulp and Paper Industry Takes Lead — Industrial Output Exceeds $63,000,000

Industrial activities in New Brunswick are slowly, but surely, branching out from primary to secondary industries. The vast forest wealth of the province has attracted many millions of capital to the saw mill industry, but the development of hydro power sites has made it possible to carry forward the manufacture of timber several stages and in the last five years New Brunswick has grown into an important pulp and paper industry.

Though pulp and paper and sawmills account for a large proportion of the total industrial production, the province has a diversity of industry which is standing it in good stead these days. On two sides the province is bounded by sea waters, so that fish curing and packing ranks high among industrial operations.

The bountiful farm lands of New Brunswick have given rise to a large number of industries. Butter and cheese making, as well as meat packing, are industries that are growing steadily. The limited size of the domestic market has kept down the growth of these industries, but as it grows, these and other industries will expand.

Capital of $140,611,000

According to the last survey prepared by the Dominion Bureau of Statistics, covering 1930, New Brunswick's industries represented a capital investment of $140,611,530. This figure represented an increase of $22,645,560, caused chiefly by the establishment of 64 new industries, over that reported in the previous year.

Output Worth $63,000,000

The 924 establishments in operation in 1930 reported a gross output valued at $63,468,262, of which $33,897,264 represented the value of materials and $29,570,998 the value added by manufacture. Though this represented a decrease in dollar value from the preceding year, it might be pointed out that the rapid decline in commodity values, especially on articles of primary manufacture, has been chiefly responsible for the lower aggregate value. Insofar as volume of production is concerned, returns for 1930 are understood to have been larger than in the previous year.

The importance of industry to the province's welfare is more readily appreciated by an examination of the Bureau's returns, which show that in 1930 nearly 22,000 persons were employed while the payroll amounted to nearly $15,000,000. This is almost the same as reported in 1929.

Data on Industries

Principal statistics of manufactures in New Brunswick for 1930 and 1929 follow:

	1929	1930
Plants, No.	860	924
Capital	$117,965,970	$140,611,530
Employees (Salaries)		
Male, No.	1,355	1,358
Female, No.	384	386
Salaries	$3,157,674	$3,155,093
Employees (Wages)		
Male, No.	13,123	13,508
Female, No.	3,655	3,172
Wages	$12,554,648	$11,833,348
Cost fuel	$1,681,023	$1,743,591
Pwr. equip., h.p.	174,286	189,274
Cost materials	$40,453,535	$33,897,264
Gross val. prod.	$71,433,966	$63,468,262
Net value	$30,980,431	$29,570,998

Pulp and Paper Leads

Ranking in the lead of industries, is pulp and paper, which in 1930 had a value in output of $12,614,177, or nearly 50 per cent greater than its closest competitor—sawmills. Only a few years ago pulp and paper occupied a relatively unimportant position in the province's manufactures, but the establishment of two mills have enabled the province to take a ranking position among the pulp and paper producers of the continent.

The oldest industry and probably the most extensive from the point of operations, is lumbering. More than a century has elapsed since lumbering was first commenced in the province. At one time it was virtually the only industry of importance. aside from the fisheries. During the war years it prospered but of late conditions have not been too favorable. The development of the pulp and paper industry, however, has permitted a greater exploitation of the province's timber resources, and as time goes on it is to be expected that New Brunswick will concentrate more and more upon the utilization of its timber resources in ways other than lumbering.

Ten Leading Industries

The relative position of the ten leading industries in the provinces is shown hereunder.

	Plants	Capital $	Value of Products $
Pulp & paper	7	49,789,447	12,614,177
Sawmills	308	21,253,028	8,564,415
Elec. stations	40	27,278,902	2,806,573
Fish curing & packing	162	1,882,479	2,688,014
Coffee & spices	5	1,659,985	2,404,545
Biscuits, conf., Choc., etc.	7	2,230,403	2,393,021
Cotton yarn and cloth	4	4,868,173	2,158,973
Slaughtering & meat packing	8	687,188	2,007,486
Butter & cheese	35	1,053,452	1,811,623
Castings & forgings	12	2,362,997	1,517,179

Major industrial operations in New Brunswick centre on Saint

(Continued on page 14)

CONNORS BROS. IMPROVES PLANT BY RESEARCH UNIT

Interim Dividend of 50 Cents a Share Paid in 1932

Confronted with high tariff walls, the vagaries of exchange, and restricted purchasing power, Connors Bros. Ltd., operating the largest sardine plant in the world at Black Harbor, N.B., has been able to maintain a satisfactory position. Earnings have been reduced but in 1931 the company was able to distribute a dividend of $4 a share on its common stock. In the previous years, the dividends were paid at the rate of $8 a share.

During the current year, one distribution of 50 cents, an interim payment, has been paid. Though no figures on earnings have been released it is understood that further payment will likely be withheld until the end of the year when a more accurate estimate of the company's status will be obtainable.

Improves Property

In the meantime, the company is continuing to improve its property. In 1931, a pure food research laboratory, one of the most up-to-date of its kind on the continent, was built at the plant. A resident research director has been placed in charge, and activities in this laboratory have resulted in improvements in production with a consequent strengthening of the company's position in world markets.

Another feature of the company's activity was the capture of the gold medal at the International Fair at Antwerp. Officials were much encouraged by this victory, since the company's products came in competition with those from all over the world. The company also maintained a substantial exhibit at Canadian National Exhibition in Toronto last year.

Introduces New Lines

In keeping with its aggressive marketing policies, the company has introduced new lines within the past 12 months. Among others, these include Dining Car Special sardines. The entire season's pack on this line was sold out early in the year.

Connors Bros. ship their products to over 100 foreign countries. In the light of present currency conditions, it is easily seen that the problem raised by the question of exchange is a substantial one. The company, however, is endeavoring to maintain its contact in these foreign markets so that when conditions improve it will be able to resume its former sales.

Population Grows In New Brunswick

Further increase in the population of New Brunswick is revealed in census figures for 1931. The recent census showed a total population of 408,219 for the province compared with 387,876 in 1921.

The gain has been fairly evenly distributed between rural and urban centres. Rural population at 279,279 compares with 263,432 in 1921. Urban population was 128,940 compared with 124,444 in the previous decade.

Census figures show that rural population comprised 68.41 per cent of the total and urban population was 31.59 per cent. This compared with 67.92 and 32.08 respectively in 1921.

N. B. TELEPHONE EXTENDS SYSTEM IN RECENT YEARS

Business Recession Results in Reduction in Dividend

Owning and operating a telephone system covering the province of New Brunswick and connecting with systems in adjoining provinces, New Brunswick Telephone Co. has widely extended its system in recent years. Substantial sums have been spent in modernizing equipment, extending lines and generally improving properties, but, like other telephone companies, present business conditions have temporarily halted further major extensions.

This contraction in business activity has resulted in lower earnings and in April, 1932, it was found necessary to reduce the dividend rate on the company's capital stock from the former rate of eight per cent to six per cent. The distribution of eight per cent had been made since 1916.

New Brunswick Telephone Co. entered into the partnership known as the Trans-Canada Telephone System, and is now hooked up with a system which enables subscribers to speak to all points in Canada to the Pacific Coast. Number of subscribers in New Brunswick approximates 34,000.

The company is fortunate in having no funded debt and its income is not burdened down with fixed charges. Its securities are widely distributed in New Brunswick.

ADMIRAL BEATTY IS TRAVEL CENTRE IN NEW BRUNSWICK

Facilities Have Been Enlarged to Take Care of Traffic

One of the features of the attractions which New Brunswick has to offer tourists is the vastly improved hotel accommodation which has been witnessed in recent years. With the wide gain in motor travel it has been necessary to find suitable accommodation for visitors and the increase in tourist traffic indicates that the province is not lacking in hostelries.

The leading hotel in Saint John is the Admiral Beatty which was completed in recent years. Demands made upon it necessitated construction of an additional wing and approximately $275,000 was spent on improvements and betterments. This included the building of a new seven-story wing and various structural changes in the main hotel.

Ample Accommodation

The result is that the Admiral Beatty now has accommodation for 240 guests together with the usual public rooms, banquet rooms, cafeterias, stores and so forth. Conventions have flocked to its doors. This year there are less booking for conventions, but already there have been three meetings of substantial size.

Location of the hotel works to its advantage. It is situated in the heart of the town overlooking King's Park. Today it proves the hub of travel in the province. Efficient management has enabled the company to maintain its position.

EASTERN CANADA COASTAL REPORTS INCREASE IN MAY

Sharp Cuts in Expenses Offset Reduced Subsidies

Despite the general restriction in shipping activities this year, receipts of Eastern Canada Coastal Steamships in May showed a gain over the same month last year. This increase is encouraging and those close to the company feel that it is an indication of the integral part which the company plays in Maritime life.

Eastern Canada Coastal Steamships, however, has been confronted with various problems in the past year. Subsidies granted by the government have been reduced and interest charges on the $550,000 of first mortgage bonds have had to be met in New York funds. Further, traffic in the district served by the company has showed some falling off due to slackness in industrial conditions.

The management, however, has been alert to meet the situation. Operating expenses have been sharply cut. Services have been widely reorganized, with a view to maintaining revenue at the most satisfactory level and the company is making a strong bid for tourist traffic during the summer months.

Last year witnessed the first full twelve months operation of the company's newest vessel "Grand Manan II" which was added to the fleet in March, 1930. Completion of this boat brought the total number of vessels in the fleet up to 17.

Actually, Eastern Canada Coastal Steamships is a holding company controlling operations of 12 constituent organizations and one other subsidiary. These companies are engaged in coastal freight and passenger steamship trade between Nova Scotia and New Brunswick points; steamship routes have a total mileage of 1,145 miles with 165 ports of call.

MILLION CASE SALE WAITS FOR SARDINES IN IMPERIAL MARKET

(Continued from page 13)

has cut into its business recently. Canada packs about 90 per cent of world production of canned lobster and of this New Brunswick packs about 25 per cent. If sufficient tariff rates were granted within the Empire the New Brunswick lobster industry would immediately be able to increase its production substantially. In this case again the industry makes substantial purchases from Great Britain for tin plate and other raw material required in packing operations.

Fishing has been and always will be a major industry in New Brunswick. Along its shores are communities which for generations have depended on the sea catch for their livelihood. If an improvement can be effected in shipment of their catch, in canned or dried state, there can be no doubt that this large section of provincial activity will feel a stimulus which will bring them out of the difficult situation by which they are now surrounded.

PROVINCE HOPEFUL OF EMPIRE MARKETS FOR LUMBER OUTPUT

(Continued from page 13)

province logs can be driven down these waterways to the mills. One of the most fertile sources of lumber lies in a great stretch of Crown Lands north of the southwest Miramichi, some 80 miles wide and 100 miles long. This great area is fairly free from the ravages of fire and is covered with many species of valuable timber.

Fine Timber Abounds

Everywhere in this belt both black and white spruce abound, some pine, large quantities of the finest and largest cedar in Eastern Canada and vast amount of hardwoods that have scarcely been touched. New Brunswick has in these, and in her other forested areas, a heritage that will remain for all time a great source of revenue.

Of interest are the remarks made by Hon. C. D. Richard, premier of New Brunswick, in his review of the year 1931. Speaking of lumbering he said:

"New Brunswick is greatly interested in the result of the formation of the inter-Empire trade policy. Upon the action of the British Government will depend pretty largely the future prosperity of the lumber industry so far as our British market is concerned. If the economic experts of Britain, acting in conjunction with the economic experts of Canada, can devise some way to make it profitable for New Brunswick lumber to be marketed in Britain, the lumber industry of this province will receive an impetus that will ensure a tremendous expansion and development."

N. B. INDUSTRY SHOWS SIGNS OF BROADENING

(Continued from page 13)

John, but it is worth while noting that the remaining plants are remarkably evenly distributed over the province. This has provided a degree of stability which is often found to be lacking in other provinces where industrial operations are concentrated at one or two points.

The trend of industry toward sources of raw materials and power supplies is particularly noticeable in New Brunswick. This is largely due to the fact that the major industries are dependent upon timber as their raw material, with the consequence mills are established near the limits and away from the larger centres of population. For this reason, the survey of industrial centres in the provinces reveals uniformity of distribution of plants, aside from Saint John which has certain peculiar advantages owing to its being an important all-year round sea port.

LARGE INFLUX OF TOURISTS ANTICIPATED

(Continued from page 13)

miles off the old route to the United States boundary.

Direct connection between the two towns will enable tourists to enter New Brunswick at any point along the Maine or Quebec border. Formerly it was necessary to take a round about route to get from the boundary to Campbellton, now the new road cuts like a knife through virgin territory.

Campbellton is the jumping off spot for all the famous fishing clubs in the Restigouche River. Accordingly the newly opened highway will prove a boon to the hundreds of ardent fishermen who have come to regard New Brunswick waters as a regular Mecca.

The salmon fishing in New Brunswick is justly famous and provides one of the greatest drawing cards for tourists. On the stretches of the Restigouche, the Upsalquitch, Nepisguit and Miramichi Rivers some of the best salmon fishing in the world exists. Each year large sums are paid to the government in leases for fishing waters while the influx of members of fishing clubs results in substantial expenditures in the province.

Perhaps it is diversity that attracts tourists to New Brunswick. For here is available all the attributes of a good holiday. Sport of all kinds. Good accommodation. Unrivalled scenery ranging from seashore to virgin forest and good highways to travel on. It is not surprising that New Brunswick's tourist industry is gaining.

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and
Municipal
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THE SUMMER SESSION

A Summer Session of six weeks begins on July 5th. Credits given toward the B. A. Degree.
THE NEW CATALOGUE FOR 1932 will be sent on request.

CECIL C. JONES, President.

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The Province of
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NEW BRUNSWICK

Rich in Natural Resources, the Largest and most Potential of the Maritime Provinces presents many Unrivalled Opportunities to Investors, Industrialists, Mining Operators, Settlers.

The following brief resume will give a general idea of the scope of New Brunswick opportunities. Write us for full information on the subject that interests you as an investor, business man or settler.

Agriculture

The climate and soil of New Brunswick are particularly adapted to profitable agricultural operations. The average yield of oats per acre in Canada during 1931 was 25.5 bushels. In New Brunswick, the yield was 31.0 bushels per acre. The 1931 wheat yield in Canada was 11.6 bushels per acre, in New Brunswick it was 18.5 bushels. A similar situation is evident in the instances of barley, beans, potatoes, turnips, and hay and clover.

The production of apples has been steadily increasing, rising from 34,000 bbls. in 1929 to 40,000 bbls. in 1931. This branch of the industry has been encouraged by the provincial government, with the result that approximately 1,000 acres have been set out to orchards.

The agricultural wealth of the province, including the value of lands, equipment and livestock, was estimated in 1931 to amount to $158,840,000, while the value of agricultural products exceeded 24 million dollars. The province's particular natural advantages indicate a substantial future growth in this branch of activity.

Fisheries

Only two provinces exceed New Brunswick in the total value of their fisheries, while this province's catch of sardines, smelts, and oysters exceeds that of all others. The lobster fishery is also particularly important.

Minerals

New Brunswick's proportion of the total Canadian mineral production showed a very substantial increase in 1931 over preceding years. Coal, gypsum, natural gas, and building stone are now mined in considerable quantities, the total value of mineral production in 1931 being over two million dollars. Provincial Mining Laws, especially favourable to the prospector, add to the province's mineral opportunities.

Manufacturing

The province each year provides an increasingly favourable location for the manufacturer. Proximity to markets results from a growing population, and particularly favourable freight rates. Raw materials are made readily available through the continuously open port at Saint John, while the substantial natural resources of the province may be drawn on for this purpose. Power and labour supplies are adequate to meet every industrial need.

Investments

The evident stability and favourable future of New Brunswick industrial enterprise are indications of unexcelled investment opportunities. The justified faith of the investing public in government and municipal securities has already been amply demonstrated in 1932, and reflects the sound judgment that for security of principle, satisfactory return, and appreciation in value, New Brunswick investments provide an advantageous selection.

LOW RATES · feature
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NEW BRUNSWICK

Come where your holiday money goes further and buys more . . . to New Brunswick's warm-water coast. Splendid train service; easily reached over splendid motor highways.

Good hotels and comfortable homes provide delightful home meals and accommodation. Wonderful beaches: real bathing: deep and fresh water fishing: boating: golf. Many fine inland resorts, too. Ask about them.

*Official road map, illustrated booklets
and full information on request.*

Address Inquiries to NEW BRUNSWICK GOVERNMENT

BUREAU *of* INFORMATION *and* TOURIST TRAVEL
131 PARLIAMENT BUILDINGS FREDERICTON, N.B.

BACK-TO-LAND PLAN WILL AID AGRICULTURE

See Substantial Stimulus to Farming in Province

SETTLERS ACTIVE

Greater Colonization Will Add Much Needed Population to Agricultural Community

A steadily growing Back-to-the-Land movement apparent in New Brunswick indicates that possibly one of the greatest future assets of the province will be through the improvement and development of its agricultural resources.

Colonization work showed a decided increase last year and the Department of Lands and Mines reports that 16,900 acres were allotted to settlers during the year and improvements on 572 lots were inspected. The movement continues. Not only natives of the province are enquiring for details but frequently persons are heard from in different provinces and from the United States asking if it is possible for them to secure land in New Brunswick for the purpose of homesteading.

Province Encourages Plan

Statistics show that in practically every period of economic depression in the province there has been a gradually growing increase in the number of people applying to the Crown Land Department for land for settlement purposes. The past year was no exception and the department has been kept busy answering requests for land where new settlements might be established and new parishes formed.

Changes are rapidly taking place in rural communities and the Department of Colonization is anticipating placing hundreds of families on vacant Crown Lands. T. A. MacDonald, inspector of colonization for New Brunswick, feels that any back-to-the-land movement should be encouraged.

In the cities definite plans have been formulated. A committee in Saint John has been appointed to deal with matter and in a sane and constructive way unemployed and others are gradually being cared for by allotting land to them in rural districts.

Will Stimulate Agriculture

If a successful back-to-the-land movement is carried out in the province the whole aspect of agriculture in New Brunswick may take on a different complexion. In the past there has been a lack of colonization, some claim. There are vast areas in the province available for farming but through lack of population this acreage has not been cultivated.

With a greater impetus to agriculture the province would benefit, for agricultural production gives an invaluable backlock to economic wealth. In Restigouche County one finds the largest area of vacant Crown Land and perhaps the best soil for farming in the northern part of the province. The Hazen, Grimmer and Stewart settlements are located here, established during the past twenty years and settled largely by descendants of the Acadians and Quebec French.

These are splendid examples of farming communities. The district, moreover, is now served by the newly constructed Campbellton-St. Leonard highway which will tend to facilitate settlement work substantially.

Until recent years agriculture took second place to lumbering in value of production in New Brunswick. But there has been a steady growth in farming until today agriculture leads with an estimated revenue of $21,217,000 in 1931. Of the total agricultural land amounting to 10,718,000 acres, however, only 4,269,000 are occupied.

Seek More Orchardists

One phase of the province's agricultural activity to which the government has directed farmers' attention in recent years is the apple growing industry. There are thousands of acres of cleared land which might be used for the commercial production of apples, and New Brunswick apples have won a high name for themselves.

Total crop has shown a steady gain in the past three years and in 1931 amounted to 40,000 barrels an increase of 3,000 barrels over the preceding year. It is interesting to note that the volume marketed locally has gained sharply and last year 24,665 barrels were sold in the province compared with 16,942 barrels in the previous year.

Livestock and Dairy

There has been a notable gain in production of dairy products. Creamery butter production in 1931 increased 15 per cent over the previous year, output totalling 2,413,901 pounds. Expansion in the livestock and poultry industries was also noted last year; total cattle in the province was estimated at 234,000 a gain of 5,000 over the previous year.

Poultry continues to be a profitable phase of the agricultural industry.

New Brunswick Sets Record For All Canada

Of the nine provinces in the Dominion of Canada, New Brunswick showed the smallest percentage decline in value of production for 1930. The drop in New Brunswick was limited to $8,610,000 or 9.9 per cent. Net value of production in 1930 was $78,772,589 compared with $87,382,143 in the previous year.

In New Brunswick, manufacturing took first place as a producer of new wealth, proportion being 37 per cent before and 19 per cent after elimination of duplication. Agriculture furnished an output of 29 per cent and forestry occupied third place with an output of 37 per cent. This was followed by construction with 9 per cent and fisheries with 6 per cent.

In 1930 agricultural production amounted to $23,480,377, a decline of $5,000,000 from the previous year. Forestry was off about $3,000,000 at $21,965,180 and manufacturing totalled $29,570,998, a drop of slightly over $1,000,000.

Reflecting the continued expansion in generation of electrical energy, net production of electric power was one of two divisions to show an increase in 1930. The value amounted to $2,806,573, an increase of $600,000 over 1929.

Lower values for fisheries, which have found further accentuation during the past year, are indicated by figures for net production in 1930. These totalled $4,853,575, a decrease of over $1,000,000 from 1929. Construction showed the largest gain in all divisions, totalling $7,193,550 compared with $4,424,225.

Mine Operations Draw Attention to Vast Wealth New Brunswick Minerals

Production Last Year Feels Effect of Depression

OPERATIONS ACTIVE

Wide Variety of Mineral Deposits Provides For Stability of Mine Work

Though output in New Brunswick coal mining, gypsum and natural gas and oil were lower last year, there was actually a slight increase in revenue from mining licences and leases, indicating a sustained increase in prospecting and the development of mining properties.

New Brunswick possesses a number of minerals of economic importance and though some of these have been actively and continuously produced for many years, prospecting still continues in copper, manganese, antimony, tungsten and molybdenum.

Work Antimony Deposit

During 1931 operations on the antimony deposits at Lake George were continued by the Lake George Mines and consideration has been given by the management to methods for treating the ore at site of the mine. About 3,000 square feet of the main vein has been stopped, yielding, according to the owners, about 3,000 tons of ore which will average 15 per cent antimony metal.

An arrangement has been completed by which Lake George Mines has taken over the interests of Antimony Melting and Refining Co. which holds the lease on the adjoining property. This places all the antimony property at Lake George under one management.

Manganese operations are carried on at Turtle Creek, but only slight activity was reported last year. A few hundred tons of ore were mined and stored early in 1931 but no shipments were made. Arrangements have been completed for continuation of exploratory development work this year.

Interest in Copper

As far as copper is concerned, interest in deposits on Adam's Island and other islands continue throughout the year. Operations are chiefly confined to the former. During the summer of 1931 a mining engineer investigated the property for the present owners and recommended a programme of diamond drilling. Later in the year the company employed the government drill, and Number One hole was down to a depth of 630 feet by the end of the year.

Sea Catch Value Shows Decline

Products of New Brunswick's fisheries had a value of $4,853,527 in 1930, compared with $5,935,635 in 1929, a record year, and $5,001,641 in 1928. Indications are that values will drop lower again in 1931.

The only increase to be recorded in 1930 values was the salmon catch, while the lobster catch was higher in quantity but lower in value. Sardine catch showed a sharp drop both in quantity and value.

The lobster catch led in values at $1,206,596. The sardine fishery was second in value to the lobster catch but in 1930 was only half the quantity of the preceding year and market value was down 34 per cent at $1,074,342.

NEW BRUNSWICK COAL OPERATIONS ON WIDER SCALE

Production Was Lower During the Past Year

Coal mining activity in New Brunswick recorded a slight decline last year. This drop, however, was a direct reflection of contraction in industrial activity.

The coal mined was 86 per cent of that in the preceding year, amounting to 155,353 tons compared with 180,120 tons in 1930. It is interesting to note, however, that for the whole Dominion, bituminous coal was 77 per cent in 1931, of that in 1930. Lack of demand for industrial fuel lessened production of the larger operators in the big Minto coal fields, while lessened opportunities for labor started several small independent operations. Unfortunately, this last addition has some effect on prices which is not to the advantage of the larger operations.

The Minto Coal Co. is the largest operator in the field, mining 50,183 tons last year or 32 per cent of the total production. The company, which transferred its scene of activity in 1931 to new operations in North Minto has again found it necessary on account of nearing depletion to start a new mine about a mile from its present workings.

The second largest operator in this field is the Avon Coal Co. which mined 24,760 tons last year.

Grand Manan Power Supplies Large Island

Progress on the Island of Grand Manan, centre of the smoked herring industry of New Brunswick, is indicated by the fact that the island is now equipped with its own power plant supplying electric light to the population, the operating utility is Grand Manan Light and Power Co.

The company operates an 80 h.p. Diesel oil engine at Grand Harbor and in the past year has increased its number of customers to 238. The company has strung lines through the most thickly populated districts of the island, including North Head, Castalia and Seal Cove. An agency for appliance sale is operated on the island: adverse conditions in the smoked herring industry, however, has tended to restrict purchasing power for the time being.

Securities of the utility are largely held by local residents. They include $25,000 of 7 per cent bonds due 1950 and $30,000 of common stock. Bond interest payments are maintained.

Motor Vehicle Revenue Registers Steady Growth

Revenue totalling $1,568,185 was secured by the Motor Vehicle Branch of New Brunswick during 1931.

The net receipts from automobile registrations were $868,207 while the gasoline tax produced a revenue of $699,978. The gasoline tax exceeded the estimate by $24,978, while the motor vehicle receipts were $31,792 less than in 1930.

The decrease in motor vehicle fees was due to the fact that there were a large number of cars and trucks not licensed. A great revenue-producer for motor vehicles was the check-ups in all the cities and towns in the province. Trucks were weighed and the increased weight produced a higher fee. Drivers of motor vehicles were checked up and the result was that there was a larger revenue that otherwise would not have been procured.

STEADY GROWTH OF GANONG BROS. IS BUSINESS EPIC

Present Nation Wide Activity Had Beginnings in Small Store

Growing from a small grocery store to a modern manufacturing plant shipping its products to all parts of the Dominion is the record of Ganong Bros., Ltd., chocolate and confectionery manufacturers of St. Stephen, N.B. Today the company is doing business in every province of the Dominion. Offices and warehouses are established in Montreal, Toronto, Winnipeg and Calgary. Wholesale agencies are carrying stocks in Saint John, Quebec, and Vancouver.

The history of the growth of Ganong Bros. follows along the lines of Canada's expansion. James H. Ganong, a native of New Brunswick, came to St. Stephens in 1872 and bought out a small retail baking and confectionery plant. In partnership with his brother, the late G. W. Ganong, they started business on a modest scale.

Used Hand Labor

At first all manufacturing was done by hand labor, but in 1884 the first brick candy factory, with steam power equipment and machinery, was erected and the founders, even at those early days, aimed at a national rather than a local business.

The firm was among the first of Maritime manufacturers to open up business in Western Canada. It established an agency in British Columbia in 1891 and about 40 years ago opened an agency in Winnipeg. Since 1903 branches have been located in the Prairie Provinces.

Rapid Expansion

The business expanded rapidly. Built up on quality rather than on price, steady progress has been made, plants have been enlarged, and sales have increased. Freight rates to the market served have not proved a serious handicap since manufacturing costs have been kept at a low level, and labor turnover has been reduced to a minimum.

The business is now in the second generation of the Ganong family. The present manager, A. D. Ganong, M.P., has been connected with the firm since 1896.

WALLACE MFG. CO. BUSINESS HOLDS NATIONAL ASPECT

Company Manufactures Wide Line of Woodwork Products

Formed six years ago as a consolidation of the Sussex Mfg. Co. and the Wallace Machine Works, Wallace Mfg. Co. has built up in Sussex an organization which is shipping its products to all parts of the Dominion

Production comprises ice and mechanical refrigerators together with store, school and church furniture. Earnings in 1930 struck a new high mark, though there has been a slight decline as a result of general slowing up of business in the past year.

Large Contract Fulfilled

An interesting feature of this company's business in recent years is the fact that it secured the contract for installing refrigeration in the new Saint John General Hospital. This structure was erected at a cost of $1,500,000 and opened recently. In addition to this the company fulfilled contracts for new C. N. R. and C. P. R. hotels built in the Maritimes last year.

Another substantial contract completed for the Canadian National Railways was an order for the manufacture of solid mahogany furniture for the staterooms in the three Canadian National "Lady" steamers operating on the West Indian service. These, however, were special contracts and the company carries on a wide business in diversified standard lines.

N. B. GAS AND OIL ERECTS REFINERY TO HANDLE CRUDE

Small But Steady Output Recorded From Year to Year

Output of gas and oil in New Brunswick in 1931 was somewhat less than that of the preceding year, but the reduction from the average of the last ten years is only about five per cent. During 1931 there were produced 235,986 gallons of crude oil compared with 244,431 in 1930. Value of gas output was $129,341 compared with $133,505 in the preceding year.

It is interesting to note that two new wells were begun last year. One of these was drilled to a depth of 1,638 feet and the other, started later in the year, was continued to a depth of 757 feet. In the latter well, geological investigation proved that it was inadvisable to proceed.

Erect Small Refinery

Early in 1931, New Brunswick Gas and Oil Fields, the company operating in the district, constructed a small refinery at Weldon for the purpose of recovering from the crude oil of its wells, gasoline and residual fuel oil. Oil from the wells is piped direct to an oil tank having a capacity of 7,500 barrels. Extracted gasoline is piped to two storage tanks in the vicinity having capacities of 12,000 and 17,500 gallons respectively. They are located conveniently to the highway and railway lines.

In the past 22 years, from 1909 to 1931 inclusive, New Brunswick Gas and Oil Fields Ltd. has produced 3,982,033 gallons of crude oil and gas to a value of $2,130,571. In that period royalties of $120,605 have been paid to the Crown.

Moncton Tramways Electricity and Gas COMPANY LIMITED

Distributing Natural Gas and Electric Current to over 10,000 Customers in Moncton and Suburbs

Inquiries Concerning Power for Industry will have immediate attention

MONCTON NEW BRUNSWICK

Canadian Hydro-Electric Corporation LIMITED

Gatineau Power Company

The 1931 annual report of Canadian Hydro-Electric Corporation, Limited, and subsidiaries is now available and copies may be obtained from the head office of the Corporation at Ottawa. The report contains a survey of the year's operations; consolidated profit and loss and balance sheets of both Canadian Hydro-Electric Corporation, Limited, and Gatineau Power Company; and a map showing the generating plants and transmission and distribution lines of the Corporation and its subsidiaries.

Some of the more important features of the report are reprinted below.

Consolidated gross revenue amounted to $9,197,407 compared with $8,513,409 in 1930, and the balance available for dividends on the shares of the Corporation amounted to $2,305,546 as compared with $1,924,931 in the previous year. This is equivalent in 1931 to $18.44 a share on the 6% First Preferred Stock as against $15.40 a share in 1930.

* * * * *

Over 40% of the gross revenue is being received in United States funds. Such receipts are within three-quarters of a million dollars of covering the entire annual interest payable in United States dollars on outstanding funded debt. The Corporation, moreover, had a credit balance with International Paper and Power Company at the time when United States funds went to a premium. The balance of this credit, which is being repaid by International Paper and Power Company in United States funds and is being used to meet such interest payments, amounted on December 31, 1931, to $2,372,840. To date, therefore, the premium on United States funds has resulted in a small profit which will continue until this credit has been exhausted.

* * * * *

The Corporation and its subsidiaries continue free of all indebtedness to banks.

* * * * *

A further increase in deliveries on primary power contracts and to retail consumers took place during the year, the total rising from 454,440 horsepower to 472,491 horsepower. Increases scheduled under present contracts will raise such deliveries to an ultimate minimum of 549,963 horsepower. The present maximum demand from retail customers of 16,631 horsepower is included in these figures.

Production of energy was well maintained during the year, consolidated peak load being 650,235 horsepower and the total output, including small amounts of purchased power, being 2,423,055,637 kilowatt hours, compared with a peak load of 605,495 horsepower and an output of 2,534,521,721 kilowatt hours in 1930. Water conditions in 1931 were below normal, accounting for the slight decline in total output. Because of ample storage facilities, the Corporation's subsidiaries were fully able to take care of all obligations for the delivery of primary power. The effect on earnings of the decline in output was, therefore, slight, as it was only sales of secondary power used for electric steam that were reduced.

Hydro-electric generating stations with a total installation of 679,519 horsepower are now in operation. Power not being delivered at present under primary power contracts is being sold for the production of steam by electricity or to replace power which would otherwise be produced by steam-generating equipment.

* * * * *

Despite generally depressed business conditions, over 1,000 new customers were connected to the lines of the distributing properties during the year and the consumption of electricity for light and appliance use increased by over thirteen per cent. Merchandise sales during the year, while lower than for 1930, are satisfactory in view of prevailing conditions.

* * * * *

Lighting rates were substantially reduced in several municipalities and standard step rates for appliances and cooking were introduced.

* * * * *

Although the major portion of the power sold by the Corporation's subsidiaries on long-term primary power contracts has now been delivered, there still remains an amount of 77,472 horsepower sold for future delivery and now being sold at comparatively low rates for the production of steam. This power can, for the most part, be delivered as primary power from existing plants with comparatively little additional capital expenditure or increase in operating cost and it is, therefore, anticipated that earnings will be on a gradually increasing scale for several years to come as this power is absorbed at primary power rates.

CANADIAN HYDRO-ELECTRIC CORPORATION, LIMITED

AND SUBSIDIARY COMPANIES

Consolidated General Balance Sheet — December 31, 1931

ASSETS

Fixed Assets:		
Properties, Power Developments, Rights, etc.	$130,939,062.92	
Cash in escrow for construction	285,430.50	
Securities on deposit with Provincial Government	44,271.50	
Other Investments (Quoted Market Value $215,985.00)	360,000.00	
	$131,628,764.92	
Current Assets:		
Cash	$ 182,510.06	
Accounts Receivable	646,607.19	
Inventories	207,289.22	
	$ 1,036,406.47	
Due From International Paper and Power Company (Includes $2,372,840.27 United States Funds)	$ 2,556,312.68	
Other:		
Deposit with Provincial Government	$	50,000.00
Cash on deposit with Trustees		8,482.35
Preferred stock of Company held by subsidiary for sales to customers (3,040 shares at cost)		268,032.02
Deferred Assets, Prepaid and Deferred Expenses applicable to future operations		155,091.09
Discount and Expenses on Bonds and other Securities issued, Organization Expenses, etc.		7,892,403.53
		8,374,008.99
		$143,595,493.06

In the above Balance Sheet at December 31, 1931, all figures have been stated at parity of exchange without adjustment of differences between Canadian or United States funds. In the realization of the liquid assets and payment of the current indebtedness of the Company as a going business no loss is expected to result.

Examined and certified in accordance with our attached certificate
Montreal, April 22, 1932. P. S. ROSS & SONS, *Chartered Accountants.*

LIABILITIES

Funded Debt:		
Gatineau Power Company:		
First Mortgage Sinking Fund Gold Bonds, 5% Series, due 1956	$	70,604,000.00
6% Sinking Fund Gold Debentures—due 1941		11,143,000.00
6% Gold Debentures Series "B"—due 1941		7,500,000.00
Property purchase obligations		265,322.25
Serial Obligation—New Brunswick Electric Power Commission		241,888.91
	$	89,754,211.16
Current Liabilities:		
Accounts Payable	$	332,422.14
Customers' Deposits		22,235.00
Accrued Interest on Bonds and Debentures		434,540.84
Accrued Dividends		63,633.25
	$	852,831.23
Due to International Paper and Power Company for Property Purchase		455,408.14
Reserves:		
Depreciation	$	2,205,385.17
Other		49,369.63
	$	2,254,754.80
Minority Interest: Saint John River Power Company 6% Preferred Stock	$	75,550.00
Capital Stock and Surplus:		
6% Cumulative First Preferred, $100 par: Authorized 375,000 shares; Issued 125,000 shares*	$	12,500,000.00
6% Non-cumulative Second Preferred, $100 par: Authorized and Issued, 250,000 shares*		25,000,000.00
Common, without nominal or par value: Authorized and Issued, 1,000,000 shares		5,000,000.00
Surplus		7,702,742.73
		50,202,742.73
		$143,595,493.06

*Redeemable at any time on 60 days' notice.

Approved on behalf of the Board—V. M. DRURY, *Director;*
G. GORDON GALE, *Director.*

Consolidated Profit and Loss and Surplus Statement for year ended December 31, 1931

Gross Revenue, Including Other Income	$	9,197,407.12
Profit on Exchange		114,231.91
	$	9,311,639.03
Expenses:		
Operating	$	643,610.10
Maintenance		187,067.63
Administration and General		320,440.37
Taxes, Including Income Tax		309,851.62
		1,460,969.72
Net Revenue Before Interest, Depreciation and Dividends	$	7,850,669.31
Interest—Bonds and Prior Liens		3,445,244.55
Interest—Debentures and Other		1,157,180.45
Depreciation and Amortization of Storage Works		594,123.06
Discount and Expenses on Funded Debt		344,041.99
Dividends on Preferred Stock of Subsidiary		4,533.00
		5,545,123.05
Balance Added to Surplus	$	2,305,546.26
Surplus—December 31, 1930		8,259,546.78
Less: Decrease in Surplus Arising from Appraisal of Fixed Assets of Subsidiary Company		111,350.31
	$	8,148,196.47
	$	10,453,742.73
Less: Dividends on Canadian Hydro-Electric Corporation, Limited, Capital Stock:		
First Preferred	$	750,000.00
Second Preferred		1,500,000.00
Common		501,000.00
	$	2,751,000.00
Surplus—December 31, 1931	$	7,702,742.73

Examined and certified in accordance with our attached certificate
Montreal, April 22, 1932. P. S. ROSS & SONS, *Chartered Accountants.*

Consolidated Gross Revenue, Including Other Income, for year ended December 31, 1931

Operating Revenue:		
Hydro-Electric Power Commission of Ontario	$	4,288,298.00
Other Public Utility and Municipal Consumers Ottawa Electric Company, Ottawa Water Works, Towns of Grand Falls and Dalhousie, N.B.	$	374,651.00
Retail Sales Domestic, commercial, industrial, etc.	$	887,616.00
Mills controlled by International Paper Company:		
For motive power	$	2,117,731.00
For generation of steam by electricity		494,531.00
Other wholesale industrial consumers Canada Cement Company, E. B. Eddy Company, Fraser Companies, Ltd.	$	534,839.00
Other Income:		
Interest Income	$	298,590.00
Dividend Income		25,620.00
Interest During Construction		25,876.00
Profits on Merchandise Sales		22,419.00
Miscellaneous		127,242.00
Total as Shown on Profit and Loss Statement	$	9,197,407.00

CERTIFICATE OF AUDITORS

TO THE SHAREHOLDERS:
CANADIAN HYDRO-ELECTRIC CORPORATION, LIMITED

We have examined the books of account of Canadian Hydro-Electric Corporation, Limited, and of its subsidiaries, for the year ended December 31, 1931, and have received all the information and explanations we have required.

In the annexed Consolidated Profit and Loss and Surplus Statement the amount for depreciation has been determined by the management on the basis of percentages of gross sales.

WE CERTIFY that, in our opinion, the accompanying Consolidated Balance Sheet and Consolidated Profit and Loss and Surplus Statement set forth, respectively, the financial position of Canadian Hydro-Electric Corporation, Limited, and subsidiaries as at December 31, 1931, and the result of operations of those companies for the year ended that date, according to the best of our information and explanations given to us and as shown by the books of account of the companies.

P. S. ROSS & SONS,
Chartered Accountants.

Montreal, Que., April 22, 1932.

SAINT JOHN, N.B. STANDS UPON THE VERITABLE THRESHOLD OF THE WORLD'S MARKETS

SAINT JOHN

NEW BRUNSWICK

A great nationally operated port—open all year round—strategically located for Canada's export and import trade

UNIQUE ADVANTAGES TO SHIPPERS

The Port of Saint John is one of the great nationally owned and operated ocean gateways of Canada:—

Open throughout the year.

Accommodation for vessels up to 30 ft. draught.

Safe Anchorage.

Direct rail connection with Canadian Pacific and Canadian National Railways.

Steamship services to all parts of the world.

Well equipped for loading and discharging general cargo with despatch.

Extensive grain shipping facilities.

Modern frost-proof warehouses for perishable goods.

Coal and fuel oil bunkering facilities.

Electric crane for handling heavy lifts.

First class dry dock and ship repair plant within harbour limits.

OPPORTUNITIES FOR MANUFACTURERS

SAINT JOHN offers most favorably every essential to industrial success:—

Power and light at attractive rates.

Cheap water-borne coal.

A particularly fine class of worker--male and female.

Freedom from costly and disrupting labor troubles.

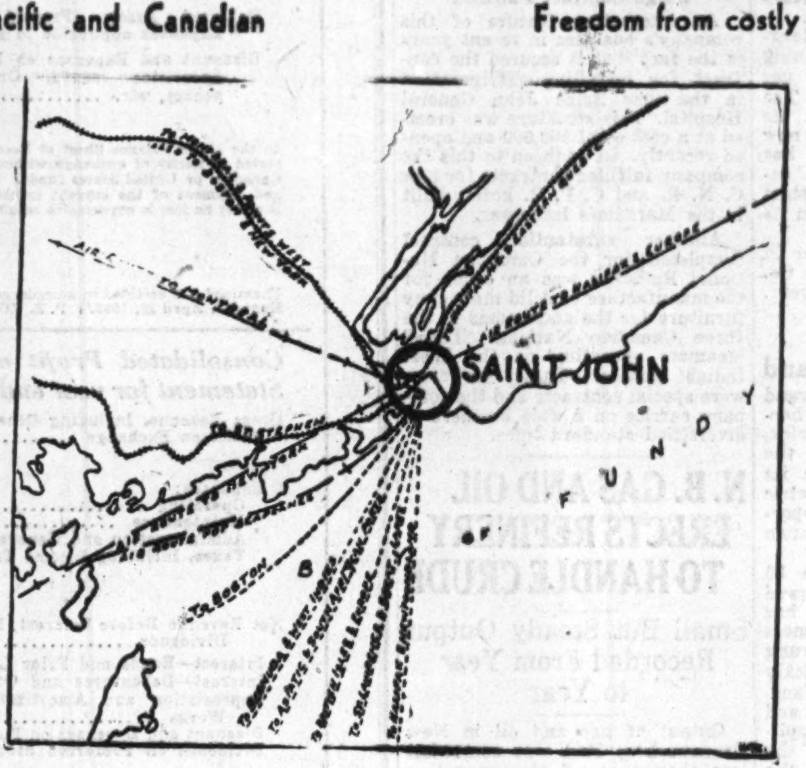
Unlimited purest water.

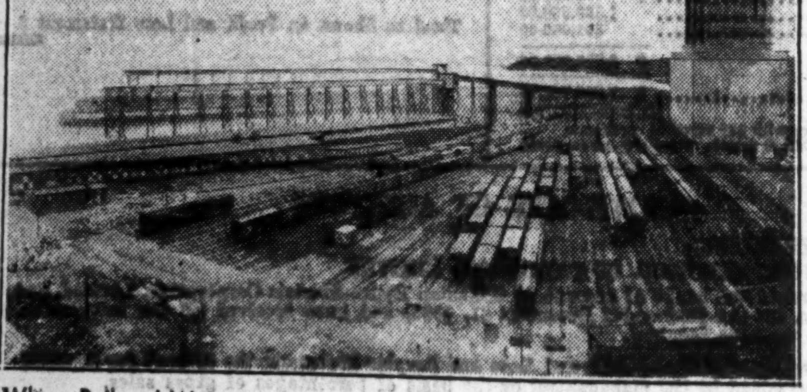
Remarkable transportation facilities, including two great trunk railways and numerous branches radiating in all directions.

Good living conditions in the heart of, perhaps, the most beautiful and delightful section of all Canada.

A large, splendidly equipped vocational training school.

To manufacture at Saint John means to escape costly rail hauls on imported raw materials as well as on fabricated exports.





Where Rail and Water Meet—Both C. P. R. and C. N. R. Serve Saint John—Harbour Facilities provide trackage for 4,000 cars.

Civic Adminstration

Mayor and City Commissioners

His Worship Mayor JAS. W. BRITTAIN

Commissioner of Harbours,
Ferry and Public Lands —
K. D. SPEAR

Commissioner of Public Safety —
RALPH G. McINERNEY

Commissioner of Public Works —
LEBARON WILSON

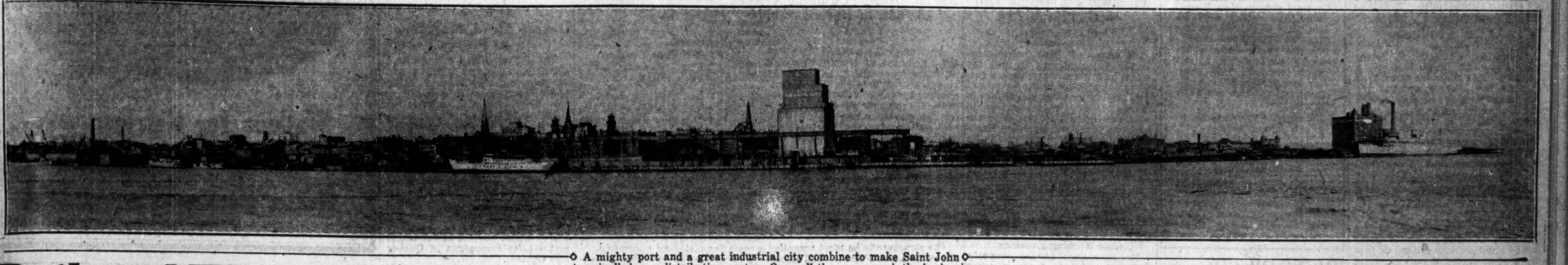
Commissioner of Water and Sewerage —
HON. R. W. WIGMORE

For all information, write

The Commissioner,
Saint John Board of Trade
SAINT JOHN, N.B.

West Saint John. Boats loading grain and lumber.
During 1931, 4,665 vessels were entered inwards and outwards at the Port of Saint John.

Saint John City is Hub of Industry, Fishing and Commerce



A mighty port and a great industrial city combine to make Saint John unrivalled as a distributing centre. Open all the year round, the harbor offers industries easy access to world markets, while power and transportation facilities by land aid the manufacturer in his operations. The above picture is taken from the west side of the harbor and shows the city itself and some of the harbor facilities. At the extreme right is the plant of Atlantic Sugar Refineries. The Canadian National Railways grain elevator is in the centre. The major port development is across the harbor from the city and is not shown in this picture.

Rail and Water Combine To Establish Saint John As Key Point for Industry

City Holds Premier Position as Location for Manufacturer Seeking Adequate Facilities for Plant Activity and Transportation by Land or Sea

INDUSTRIAL SITES COMMAND ATTENTION

Prospects for Stimulus of Trade Within the Empire Focus Eyes of Exporters on Great Atlantic Sea Port — Saint John Provides Gang Plank from Shipping Room to Markets of World

In these days when furtherance of trade is being eagerly sought by all industries, facilities for distribution are of paramount importance. With the Imperial Conference at Ottawa looming on the horizon, business men are more eager than ever before to consider the various aspects of inter-Empire trade. The outcome of the Ottawa Conference may have a significant bearing on the future of Saint John, largest city in New Brunswick and one of Canada's greatest Atlantic seaports.

If greater Empire unity will follow the Imperial Conference, it is reasonable to believe that outside industry will seek more assiduously a suitable location for the establishment of branch plants in Canada, and thereby obtain the benefits of tariff preferences. Higher tariff walls in the past few years have induced many foreign manufacturers to locate branch establishments in Canada, and in view of possible trade stimulation in the future, attention is naturally directed to the city which possesses facilities for successful distribution to world markets.

Opens Gateway to Markets

Saint John has much to offer manufacturers. It is well fitted to serve the needs of industry as far as manufacturing operations are concerned. More important, however, it has unexcelled facilities for shipping to world markets. Shipping costs are vital; a manufacturing plant located on seaboard is placed in a key position for export trade.

A manufacturer starting operations in Saint John is fortunate in many respects. In the first place, there is an abundance of industrial sites available at low cost. Cheap electric power is supplied by both privately-owned and publicly-owned companies. Coal from the vast Minto development is obtainable at a short distance from the city. And when shipments from the plant are commenced, world markets are but the distance of a gangplank from the shipping-room door.

Holds Strategic Position

The strategic importance of the city as a distributing centre is demonstrated by the presence of over 130 Canadian and American branch plants. The supply of power and coal, coupled with transportation facilities, has fostered the rise of manufacturing enterprises, and among the products of industries are valves and metal products, lumber, sugar, textiles and clothing, cured and canned fish, canned fruits and vegetables, structural steel, shipbuilding, leather goods, roofing felts and papers, paper boxes and bags, and many others.

Why have these plants been established at Saint John? It is reasonable to suppose that the natural advantages offered by this city have proved beneficial. These companies have found a satisfactory labor market. Their plant operations can be conducted on an economical basis and they are well served by railways and steamships.

Well Served by Railways

Both transcontinental railway systems assure quick contact with inland markets. The Canadian Pacific and the Canadian National run into Saint John; the Canadian Pacific, in fact, uses the port of Saint John as its base for winter shipping operations in Canada.

There is plenty of acreage available for the establishment of new plants. These properties are favorably situated, easily accessible, and the city offers every co-operation to prospective manufacturers. The Saint John Board of Trade is handling all industrial development work, though an Industrial Committee is being established to deal solely with this matter.

Recent Expansion Noted

In the industrial area in Saint John, there has been noticeable expansion in recent years. Frontenac Oil Refineries has established large storage tanks there; Irving Oil Co. has built accommodation for nearly 2,000,000 gallons of gasoline; new fertilizer plants have been erected and negotiations are presently under way for the establishment of a cement pipe manufacturing unit.

There are many areas in Canada which can offer suitable sites for industry, but only Saint John can combine these facilities with that factor which is paramount in manufacturing operations—the benefits of its harbor. Open all the year around, this mighty port offers facilities for shipment which are a vital consideration in the establishment of a new industry.

Low Shipping Costs

A glance at the map on the adjoining page shows the powerful position which Saint John occupies as a distribution centre. Direct shipment by seaway is paramount in low-cost transportation; suitable industrial locations combined with facilities for shipment gives the city a premier position as a site for export business.

Of interest is a survey of some of the older industries in the city. One of the largest sugar refiners in Canada has made its headquarters here. The drydock, operated by Saint John Drydock and Shipbuilding Co., ranks among the biggest in the world. A leading brushmaker has built his plant in the city; one of the "big four" of the Canadian cotton manufacturing industry has two units located in Saint John.

Develop Civic Airport

Here are some other details which call attention to Saint John. The city has spent over $200,000 on an airport and seaplane base, considered among the best in Eastern Canada. Power is supplied by the New Brunswick Power Co., and also by the Power Commission. The former operates Saint John's street railway system which in 1930 carried 6,874,924 passengers.

There are 16 chartered banks and branches located in the city as well as representatives of all leading financial organizations. Fresh water is available in abundance, being piped down from lakes some 15 miles from the city.

Possesses All Essentials

There are, in short, all those things which are essential in the establishment of manufacturing operations. At the very door of a plant is the port of Saint John giving access to the principal ports of the Seven Seas. From a distributor's point of view this factor is more than desirable for it places him within easy reach of his markets with the lowest cost form of transportation for his use—the sea.

Harbor Activity Held Even Keel Throughout 1931

Despite a slight decline in trans-Atlantic shipping, the Port of Saint John maintained its coastwise services at a sound level. The trade between the Port, Quebec, Montreal and the Great Lakes, sugar to Western Canada, and return cargoes of flour, was well maintained, and with normal conditions, it is fully anticipated this trade will be further developed.

Total number of vessels incoming to the Port in 1931 was 2,309, a decrease of about 300 from the previous year. Tonnage register was 1,640,422 tons compared with 1,732,650 tons in the previous period.

Saint John Port Nationally Owned

Between the years 1871 and 1875 Saint John ranked as the largest ship owning port in the world with over 900 ships on her register, aggregating 400,000 tons. During this period the Dominion Government accorded some assistance to the harbor works but the city undertook construction of wharves.

By 1907 shipping had so increased that the Government undertook to build and equip deep water wharves and to dredge the entrance of the channel to a depth of 32 feet below low water.

The business of the port of Saint John continued to increase so rapidly that in 1927 the Dominion Government purchased the rights of the city in the port and placed it under harbor commission management, controlled by the Department of Marine.

MANY FACTORS FAVOR INDUSTRY IN SAINT JOHN

Transportation, Power and Other Needs Adequately Met

Power and transportation facilities: these are two prime considerations in viewing any location from an industrial angle. Though a relatively small factor in total manufacturing cost, power itself is essential to operation. Without it industry is devitalized and executives must be sure there is adequate energy available for all purposes.

Saint John is particularly fortunate in its power supply. In the first place it is served by two utility companies; New Brunswick Power Co. and the New Brunswick Electric Power Commission. Competition from these two concerns has tended to keep rates down to a low level and also increase efficiency of service.

New Brunswick Power Co. operates a steam electric plant in Saint John capable of developing 17,000 h.p. In addition, this company operates the street railway system and undertakes gas manufacturing operations. The Power Commission has a hydro-electric development at Musquash, some 20 miles distant, and the two organizations have agreements for interchange of power which results in a satisfactory arrangement for all concerned.

Coal supplies are also important. In its Minto coal fields, New Brunswick possesses tremendous deposits and the fuel can be shipped to Saint John at low cost to care for the needs of the industry. In the city, therefore, there is available cheap electric power and an abundance of coal. Industries can want no more from the point of view of manufacturing operations.

What of transportation facilities? The advantages offered by the port of Saint John are dealt with at length in another column. Suffice to say that steamship services operate from the city itself to the principal ports of the Seven Seas. Raw materials can be brought in from all parts of the world, to which, in turn, fabricated commodities can be similarly exported. Water borne traffic still stands unchallenged as the cheapest form of transportation.

Saint John is in direct touch with inland markets. Both transcontinental railways touch the city, affording direct connection with all branch lines and thus placing manufacturers and wholesalers in an excellent position for distribution throughout Canada. Direct contact with the United States is maintained through the Shore Line of the Canadian Pacific Railway running to the boundary of the State of Maine, while through trains to Boston and thence to all parts of the United States.

The labor available in Saint John is of a singularly satisfactory type. It is not of the drifting variety. Manufacturers in the city are not troubled with the costly labor turnover which constantly disrupts industrial staffs in some manufacturing centres. There is an ample labor supply, both male and female, skilled and unskilled.

Saint John is Leader Of Industry in Maritimes

Ranking far ahead of all other centres, Saint John stands out as the hub of industry in New Brunswick. Nearly $25,000,000 of capital is invested in the city's industries, which numbered 126 at the beginning of 1931 and had a value of production in 1930 just short of $20,000,000.

While the larger number of establishments are located at Saint John, a survey of industry prepared by the Dominion Bureau of Statistics shows that other centres in the province have not been overlooked by manufacturers. Considering its population, New Brunswick probably has a larger number of industrial centres with an annual industrial production of over $1,000,000 than any other province in the Dominion.

The evenness of distribution is well illustrated by the following table showing pertinent data on the leading industrial centres of New Brunswick:

	Establishments No.	Capital $	Employees No.	Salaries and Wages $	Cost of Materials $	Value of Products $
Saint John	126	24,885,946	3,513	3,606,363	12,355,168	19,883,665
Moncton	42	8,169,132	2,332	2,813,500	3,882,502	7,897,453
Edmundston	10	16,482,184	588	652,973	2,056,505	4,647,405
St. Stephen	18	2,396,491	576	505,187	1,369,042	2,686,641
Bathurst	17	9,324,781	528	698,597	1,123,181	2,498,097
Fredericton	31	2,966,301	590	605,460	1,040,881	2,120,858
Sackville	16	1,883,364	471	404,197	320,367	1,144,621
Grand Falls	11	13,945,629	135	117,822	107,460	1,067,975
Sussex	13	580,744	198	160,265	451,506	927,872
Milltown	3	2,063,620	480	388,448	542,621	874,757
Chatham	10	3,016,119	248	205,201	450,187	864,006
Newcastle	15	2,078,774	250	179,173	449,207	733,772
Campbellton	13	1,181,380	206	225,286	375,068	714,173
St. George	8	532,724	138	110,662	108,506	277,678
Woodstock	17	646,931	103	84,119	64,724	269,107
Port Elgin	6	118,815	81	45,185	82,765	154,988
Total of leading towns and cities	357	90,592,802	10,646	10,935,894	25,240,419	47,249,740

Saint John Gives Wide, Full, Fine Scope For Living

Industrial locations are important when viewing a city from a critical angle but just as vital are the conditions in that city as they pertain to welfare of the community. Saint John has plenty in it to attract industry; it also has those things which enable workers of all classes to live in happy and healthful surroundings.

There is a total acreage in parks and squares of about 400 giving the city plenty of "lungs." Facilities for sport abound; boating, swimming, tennis, golf and sailing are available to all and a moderate climate tends to keep the population in good health.

For those who need it, however, there is one of the best equipped hospitals in the Maritimes located in Saint John. The new general hospital was completed last year at a cost of $1,500,000 and has attracted favorable comment.

HISTORIC ORIGIN GIVES SAINT JOHN FINE BACKGROUND

City Possesses Attributes of Ideal Residential District

The background of a city is an important factor in viewing any municipality from either an industrial or community angle. Cities have personalities — they develop characteristics which, intangible as they are, undoubtedly find some reflection in the broader aspects of its civic life.

Saint John has developed a fine individualism, owing, in part, to its historical record. It is the oldest incorporated city in Canada, receiving its charter in 1785. It had been marked out from the earliest days as a great port and its origin can be traced back to 1604 when Champlain sailed into the harbor of the river which he named Saint John.

Sound Pioneer Stock

Two years previous some 3,000 British subjects had migrated from American territory and founded the colony which was later known as Parr Town. It is largely from this sturdy stock that the population of Saint John has descended and throughout the years the indomitable will and courage of the early settlers and the generations to follow have built up a civic spirit which is noteworthy.

The early pioneers were quick to exploit the natural resources which are in close proximity to the city. Saint John became a centre of the lumbering and shipbuilding industry. Destroyed by a great fire in 1877, a new city rose from the smoking ruins and new industries grew and expanded and the city won an important place in Canadian wealth and economy.

Many Civic Attributes

Today the city covers an area of 21 square miles and population numbers 61,613. It has the attributes of a place in which it is pleasant to live. For the community, there are 26 fine schools; a new high school at an estimated cost of $650,000 will be completed this year. There are some 400 acres of parks and squares; there are numerous churches, well equipped hospitals and fine municipal and federal buildings.

For visitors and tourists the city possesses diversified interests. Few cities in Canada hold a more romantic or more historical interest. Saint John is easily accessible by well-kept highways and both salt and fresh water bathing may be enjoyed along miles of neighboring sandy beaches.

Governed by Commission

Municipal government is an important factor. The City of Saint John is governed by a commission plan of administration with the fiscal, prudential and municipal affairs vested in the Common Council composed of the mayor and four commissioners. The council is elected by the people—the mayor for a term of two years and the commissioners for a period of four years.

The commission keeps a keen eye on civic improvements. Fire fighting equipment is of modern design and the whole system is mechanized. An unlimited supply of fresh water is available and the minimum pressure is 40 pounds with a maximum reaching 130 pounds.

Saint John's water supply is brought from two lakes to the east and west of the city.

Heritage of United Empire Loyalists

Saint John is the oldest incorporated city in the Dominion. Two years after United Empire Loyalists had settled here in 1783, the city was granted its charter. Steady growth has marked the city's progress from that date; now it ranks as the leading industrial centre of the Maritimes. But Saint John is also a fine residential city and its buildings have kept pace with industrial expansion. Above is a view of the central district; the harbor is seen in the background.

Port of Saint John Gives Exporter Ready Access To World Trade Routes

Great Harbor Provides Industry With Invaluable Facilities for Shipping Products to All Corners of the Globe

EXPANSION PROGRAMME NEAR COMPLETION

Construction of Vast Development Moves Steadily Forward — Year-end Will See Port Equipped to Deal With Shipping on a Scale Hitherto Unknown in History of Saint John

Distribution facilities afforded to the manufacturer and exporter by the Port of Saint John comprise one of the greatest assets of this city. In addition to being one of the Dominion's most important Atlantic seaports, Saint John has the advantage of being 170 miles nearer to the chief distributing centres of Canada, than any other Canadian port on the Atlantic seaboard.

Today, the Port of Saint John is better equipped than it has ever been. A disastrous fire last year destroyed a substantial portion of the facilities in West Saint John; sheds, buildings, grain conveyor galleries, and much corelated equipment was burnt. But the government realized that unless steps were taken immediately to proceed with the work of reconstruction the port would suffer very severely in the loss of overseas business, which for a great number of years has been carried on during the winter season in Saint John. Accordingly, work was rushed forward on rehabilitation which has been successfully carried out.

New Equipment Installed

The result is that in the place of the old sheds and equipment, there have risen new wharves, modern grain conveyors, improved sheds; in short, a better port has arisen out of the ashes of the old.

All this construction, however, was only replacement work. What is more important even than this momentous bit of reconstruction, is the tremendous expansion programme which has been carried on steadily over the past two years.

This development will provide the harbor with a great new ocean pier, a large grain elevator, conveyor galleries to handle the grain to vessels, new transit sheds, and so forth. Immense new railway yards and development of industrial sites in reclaimed land are included in the plans of the Harbor Commission.

Present Facilities Adequate

However, equipment in use today will be dealt with first. At present the Port includes fifteen ocean berths, seven of which have grain conveyors. (Ten additional berths are planned.)

Four grain elevators, total capacity of 3,600,000 bushels.

Warehouse accommodation at all piers with a total of 600,000 sq. ft. This will be increased by 517,700 sq. ft. with the construction of additional warehouses.

Railway spurs and trackage. C. P. R. and C. N. R. have accommodation for over 4,000 cars.

Fertilizer storage sheds, capacity of 5,000 tons.

Two frost-proof potato warehouses, having a total capacity of 31,000 bushels.

Oil bunkering facilities. Capacity 70,000 barrels.

Molasses tanks, capacity 500,000 gallons.

Cold storage plants.

These, in brief, constitute some of the services offered by the Port.

Both Sides Developed

A closer survey shows that docking facilities are developed on both the East and West sides of the harbor, and the East shore of Courtenay Bay. The new construction development is located on the West side, and it is expected that this will be open for traffic about December 1, 1932. The West side of the harbor is served by the Canadian Pacific Railway and the East side by the Canadian National Railway, arrangements for transfer from one line to the other making it possible to ship from both sides of the harbor by either line.

The West side of the harbor, the scene of the fire, has been largely reconstructed. New facilities provide seven deep water berths. Six of these are equipped with modern steel transit sheds and grain shipping galleries, and the seventh with a heated frost-proof warehouse of semi-fire-proof construction, the temperature of which is controlled thermostatically.

Large Grain Elevators

Grain is shipped through the one million bushel Canadian Pacific Railway elevator. In addition to this, C. P. R. has built a modern cattle shed, which provides first class facilities for handling cattle shipments. Besides the seven berths which have been reconstructed, four other deep water berths destroyed by fire will be reconstructed in the near future.

East Side Development

There are six deep water berths on the east side of the harbor, one of these accommodating the Canadian Pacific steamship service to Digby, N.S., and a second the Eastern Steamship Lines. The remaining four afford accommodation for ocean service. Two of these berths are equipped with grain shipping galleries, the grain being shipped through the 500,000 bushel Canadian National Railway elevator. Several private wharves are operated on the East side, handling mostly coastwise traffic.

Huge Expansion Programme

As regards new developments: the major work is being carried on on the west side of the harbor. This development contemplates five deep water berths and a 1,500,000 bushel grain elevator with provision for extension to 3,000,000 bushels with grain shipping galleries on every berth.

The portion at present under construction includes the above mentioned elevator and three 700 ft. berths, equipped with steel transit sheds and grain shipping galleries. With the completion of the new Harbor Commission elevator, the grain handling facilities on the West side will be of the highest order. It will be possible to transfer grain from one elevator to the other and to ship grain from either elevator to any grain berths on the west side.

Noteworthy Construction

To carry out this wide development on the west side, a large coffer dam, regarded as one of the greatest feats of its kind ever undertaken, has been constructed. Protected in this way from the tides, work has proceeded inside the coffer dam on building the new concrete piers. The north side of the pier is fully completed and the south wall is fairly well advanced and it is estimated the whole work will be completed and in operation for the winter port season of 1932. The length of the pier will be 700 ft. and will easily accommodate the longest vessel using the port.

On the east side of the harbor a new development is projected to accommodate all coastwise services at one central location close to the railway station. Further, on Courtenay Bay, private wharves are operated on the east shore for the handling of oil and fertilizers. During 1931, Frontenac Oil Refineries leased a site at this point and tanks were erected. There are now three oil companies located here, fully equipped to handle fuel oil as well as the lighter oils and gasoline.

A modern drydock and marine railway are located on the eastern limits of the harbor. The drydock is 1,150 ft. in length, and may be divided into two compartments of 500 ft. and 650 ft. The marine railway has a capacity of 1,500 tons dead weight, and 250 ft. in length. The plant is fully equipped with dock, cranes, and repair shop.

Building Activity Reaches High Level

Building activity in Saint John reached a new high level in 1931. Reconstruction of harbor facilities destroyed by fire in June, 1931, entailed a vast amount of labor and necessitated expenditures of large sums of money. Aside from this work, which was carried on night and day from June to December, there was much expansion in civic and commercial projects.

A new public general hospital was completed during the year at a cost of about $1,500,000. Work is being finished on one of the most modern and best equipped high schools in Canada which has cost some $650,000 to build, and a new Provincial Museum, whose favorable design has attracted favorable comment, has been completed at a cost of $350,000.

UP-TO-DATE PORT GREETS AVIATOR AT SAINT JOHN

Over $200,000 Spent on Creating Modern Airport

In Saint John, excellent provision has been made for flying activities. The civic airport, on which over $200,000 has been spent, is located at Millidgeville, about four miles from the centre of the city. Built in 1930, this modern municipally-owned flying field has been laid out with expert care and contains all facilities.

Runways on this modern aerodrome are 1,900 and 2,200 feet long on a level surface. Drainage is good and, in case you are a flier, markings of Saint John airport are black and yellow cones on the runways and the big hangar has a yellow roof with "Saint John" with a circle round it. As yet, the port has no lighting facilities.

An excellent seaplane anchorage is operated in conjunction with the flying field. At a distance of some 200 yards from the field, there is good anchorage and shelter. Water ranges in depth from 3 to 30 feet and the currents on this inlet of the Kennebecasis are weak. All facilities are available here with seaplane ramps and refuelling barge.

Until a year ago, Saint John's airport was used by the Canadian Airways as a terminus in its Maritime air-mail services. Owing to governmental economy this service has had to be dropped, together with the majority of other mail contracts.

Though cancellation of air-mail services took away the port's best customer, the withdrawal of this support was lightened last year by the arrival of the Pan-American Airways, which inaugurated a passenger service from Boston to Saint John and Halifax during the months of August and September.

An active flying club has its headquarters at the flying field and though commercial flying activity is at a relatively low ebb, Saint John has paved the way to take advantage of any improvement in the future by maintaining its airport in excellent condition.

Saint John Operates Fine Air Port

At Millidgeville, about four miles from the centre of Saint John, the city has constructed a modern flying field equipped with all facilities. Over $200,000 has been spent in developing this air port. An excellent seaplane base is located on the river shown at the left. Inset shows hangar at field.

BATHURST PAPER SWITCHES MACHINE TO KRAFT LINER

With Newsprint Market Off Company Develops Other Products

Operations of Bathurst Power and Paper Co. have been on a reduced basis for some time back due to the lowered demand for newsprint both in this country and the United States, as well as overseas. This is a situation which is common to virtually all the producers of newsprint in this country. At the moment prospects of any marked advance in consumption do not appear to be overly bright and continued low operations are to be expected, in so far as the months immediately ahead are concerned.

Faced with the prospect of low demand, the management of Bathurst some time ago decided to produce other forms of pulp products and to that end turned over one newsprint machine to the manufacture of kraft liner board. This has had an appreciable effect in improving operations and also is expected to bring about some improvement in the company's earning power.

Operating Since 1907

Bathurst is one of the oldest pulp and paper operators in New Brunswick. Operations have been carried on since 1907, but public investment interest in the company did not take place until 1928.

Properties controlled by the company include plants capable of turning out daily 140 tons of newsprint, 75 tons of sulphate kraft and 65 tons of sulphite pulp. Leasehold timber limits held by the company in New Brunswick and Quebec comprise approximately 2,625 square miles, estimated to contain approximately 18,000,000 cords of pulpwood. Timber areas in New Brunswick are situated on rivers tributary to Bathurst harbor, Baie de Chaleur, and those in Quebec on the Bonaventure and Cascapedia Rivers, also flowing into Baie de Chaleur.

Operates Power Plant

In addition to its pulp and paper plants and timber limits, Bathurst also owns and operates a hydro-electric plant at Great Falls on the Nepisiquit River in New Brunswick, with an installed capacity of 15,000 h.p. In addition the company owns or controls other power sites on the same river which are capable of developing 40,000 h.p., giving a total ultimate capacity of 55,000 h.p.

Earnings of Bathurst over the past two years have naturally been somewhat limited. The amount earned on capital stock has been negligible, but, on the other hand, the financial position of the company has been maintained in a comparatively good state of liquidity. Current assets are well in excess of current liabilities and finances of the company are such as to assure the company carrying on through the present trying period in the newsprint industry.

Co-operatives to Meet

Plans are now well under way for the third annual convention of the Maritime Co-operative Institute at Mount Allison University, June 24. The annual meetings of the Maritime Egg Exchange and the Canadian Livestock Co-operative, Maritimes, will be held in connection with the convention.

Possesses Good Climate

New Brunswick possesses a climate conducive to good health. There is no country more free from epidemic diseases, or where people live to a greater age.

Expect Larger Cut On Timber Lands

Estimates available are that the timber cut from Crown Lands in New Brunswick this season will be equivalent to 105,000,000 feet of green timber and 10,000,000 feet of fire-killed pulpwood which is still to be salvaged from the 1923 fires. This cut includes poles, pulpwood, railway ties and sawlogs, etc.

While the estimate is 10 per cent more than in the previous year, it is still less than half the cut in normal periods. Through co-operations of the Federal Government a reduction of about $1 a thousand made in 1930 was continued for the season and there is no doubt that operations have been increased due to the reduction in stumpage.

IRVING OIL CO. SET UP RECORD PROFITS IN 1931

New Brunswick Distributor Reports Widening Operations

Record earnings of preferred dividend requirements covered over six times before income tax, were revealed in figures released by Irving Oil Co., covering the fiscal year ended January 31, 1931. The company is one of the leading distributors of gasoline and its products in the Maritime Provinces.

Gross earnings were $457,162 compared with $334,000 in the previous year and after provision for all charges there remained $198,002, before income tax, for preferred dividends totalling $30,000.

This increase in earnings reflects wide expansion carried out by the company in recent years. The most recent move has been to start operations in Prince Edward Island. Irving Oil purchased the property of Aiken Oil Co. there and consequently is now active in the three Maritime Provinces.

Storage tanks erected at Saint John in the past two years have increased capacity at that point to 1,750,000 gallons. Similar accommodation is provided at Halifax. The company operates an extensive chain of distributing stations throughout the Maritimes.

An offer to exchange their stock for preferred has recently been made by a firm of investment bankers to common shareholders of Irving Oil Co. This firm offers one share of Irving Oil 6 per cent preferred stock in exchange for each two shares of common held.

There is no dividend being paid on the common at the present time; by exchanging two common for one preferred old common shareholders will be placed in receipt of a dividend of $3 a share on the 6 per cent $50 par value preferred stock.

The original issue of preferred totalled $500,000. Through operation of a sinking fund, $18,750 has been retired since the beginning of the year and a minimum of $15,000 will be redeemed annually hereafter.

Plant Elm Trees

The Department of Lands and Mines has donated a hundred elm trees that have been shipped to Saint John and planted along one of the main thoroughfares leading from the city and covering a three mile stretch of roadside.

N. B. POWER CO. LIGHTING SALES SHOW INCREASE

Tramways Receipts Drop — Gas Sales Are Maintained

Revenue of New Brunswick Power Co. continues to feel the effect of business conditions, a factor which resulted in the passing of payment on its preferred shares in March, 1932. Gross earnings in 1931 were down 3 per cent from the previous year, but increased interest charges lowered net profits by 9 per cent from 1930.

During the current year tramways earnings are down about 10 per cent and sales of industrial power have tended to show a decline. Gas output, however, has been maintained and residential load of electrical power has actually shown an increase.

Cuts Working Expenses

No extensions to the property are contemplated at the moment the company concentrating its efforts on lowering operating expenses and maintaining its output. New Brunswick Power Co. has improved its position since Federal Light and Traction Co. secured control in 1923.

The utility supplies Saint John with light, heat and power and a tramways service. Properties comprise a steam electric generating plant of 17,000 h.p. capacity as well as valuable water power rights. Street railway system includes 22.3 miles of tracks and the usual complement of barns and rolling stock.

Owns Gas Plant

There is also a gas plant of 200,000 cubic feet daily capacity which distributes gas through 20 miles of mains. The gas plant produces a by-product, coke, for domestic and commercial purposes.

In addition to its own power generating facilities, the company has a satisfactory arrangement with the New Brunswick Electric Power Commission for stand-by service from its steam plant at Saint John. The Power Commission operates a hydro plant at Musquash, and the two organizations have made satisfactory arrangements for an inter-change of power.

As a further stand-by for peak load periods, New Brunswick Power Co. has a direct power line between its generating plant and the power plant of the Saint John Dry Dock and Shipbuilding Co. In this manner a quick hook-up can be completed and the connection was extensively used during periods when construction was being carried out at the power company's steam station.

SAINT JOHN DRY DOCK SERVICES SHIPPING TRADE

Modern Facilities Cover Wide Range of Needs

Saint John Drydock and Shipbuilding Co. is one of the factors which go to make the Port of Saint John a vital factor in the life of New Brunswick. The dry dock is one of the largest in the world and has carried out many major contracts in its history.

Last year the company undertook a fair amount of business, a feature of its activity being its ability to underbid other firms for some repair work on Norwegian and English ships early in the year. There has, however, been little work available in recent months.

Repaired C. N. S. Ship

Last year the company undertook an extensive contract in repairing the Lady Hawkins of the Canadian National West Indies service. Recently the Prince David also operated by the C. N. Steamships was towed to the dry dock following its wreck near Bermuda.

Saint John Dry Dock and Shipbuilding, however, has been especially active in dredging operations in the past year and it is this activity which has provided it with its chief source of revenue. Through its own operations and through those of a subsidiary dredging has been carried on consistently both in Saint John harbor and other locations.

Largest in Empire

The property comprises the largest graving dock in the British Empire. It is situated at the head of Courtenay Bay within the harbor limits and adjacent to the port of Saint John. Its facilities are most complete including easily handled stagings, gangways and telephone connection aboard vessels and at the bottom of the dock.

N. B. POWER BOARD WIDENS RANGE OF OPERATIONS

New Steam Plant Adds Output to Larger System

Operations of New Brunswick Electric Power Commission last year were featured by initial production from its new steam electric plant at Grand Lake. This unit, having an output of 6,600 k.v.a. was first placed in operation on September 1, 1931, and by the end of the commission's fiscal year October 31 had supplied 609,440 kw.h. to Fredericton and 263,600 kw.h. to Marysville.

In the year ended October 31, 1931, further expansion was reported by the board. Total power sales were 28,676,300 kw.h. an increase of 600,000 kw.h. over the previous year. There are now 22,284 meters connected to the commission's sources of power or 54 per cent of all meters in the province.

Operations of the commission are divided into three systems, the Southern, Northern and Port Elgin.

The financial statement for the last fiscal year showed gross revenue at $548,094 compared with $512,903 in the previous year. After providing for all expenses, sinking fund and reserve, there was reported an aggregate deficit of $1,461.

N. B. UNIVERSITY CONCLUDES YEAR OF EXPANSION

Much New Equipment Added in Recent Years

Another good year is in store for the University of New Brunswick, following an excellent one just concluded, according to Dr. C. C. Jones, president of the university. Last year, the number of students attending created a new high record and outlook for the forthcoming period is considered encouraging.

It is not unusual that the university has witnessed much activity in recent years. Within the past three years, three new buildings have been opened, which in addition to contributing to the general appearance of the campus, have widened the scope of the university substantially.

The structure to be most recently opened is a new Forestry and Geology building provided through the generosity of the province. In addition to housing classrooms and all kinds of modern equipment, it also provides accommodation for provincial laboratories and other space needed by the Provincial Government Department of Lands and Mines. This happy conjunction of educational and provincial activities is expected to lead to increased recognition of New Brunswick's mineral resources.

Men's Residence Finished

Two years ago, the Lady Beaverbrook building, a residence for men was opened. This residence was the gift of Lord Beaverbrook dedicated to the memory of his late wife. The structure fills a much needed want in the life of the university and in addition to its residential aspects the building contains a racket court and a full size swimming pool.

The new library building, also donated by the province, was dedicated last year. In the stockroom, provision is made for 100,000 volumes and the building contains a reading room, a faculty room, and a room for historical documents.

The university occupies an excellent location in Frederiction overlooking the Saint John River. Back of the grounds there are six square miles of forest lands, which were included in the original grant of the university. This forest enables students to carry out practical work in their forestry course.

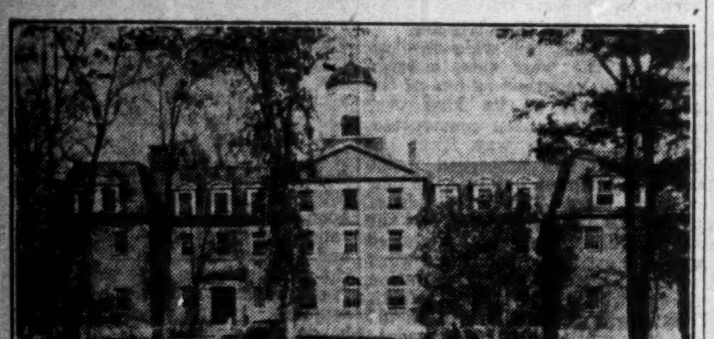
Record Stove, Moncton, Has Proven Record

The Record Stove and Furnace Co. of Moncton, has a long record of progress. Established many years ago, the company is one of the oldest firms of its kind in the Maritime Provinces.

It has kept pace with the times, however, and has been active in installing modern equipment. Today, some of the best stoves for coal, wood and gas, manufactured in Eastern Canada, are shipped from this Moncton plant.

Distribution is not only confined to the Maritime Provinces. Record Stove has built up a wide connection in Upper Canada and conducts active sales campaigns in Quebec and Ontario.

Fine Residence for Male Students



The Lady Beaverbrook Building, a men's residence, was donated to the University of New Brunswick by Lord Beaverbrook. Completed last year this modern structure fulfills a needed want in university life. Among other features it contains a racquet court and a swimming pool.

A NEW RECORD

No matter what you may require — a range, furnace or heater — there is a "Record" product to meet your demand.

We offer a complete line of superior quality — with prices to suit any buyer.

Send for booklets on ranges, furnaces, wood and coal circulators and heaters.

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Manufacturers of High Grade Steel Ranges, Cast Ranges, Pipe and Pipeless All Cast Furnaces, Hollowware, etc.

MONCTON - - N.B.

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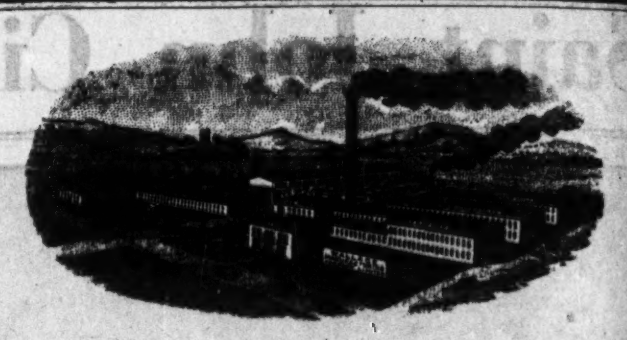

Wallace for Refrigeration

Choice of leading chain and unit stores, hotels and institutions in the Maritimes.

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SAINT JOHN'S largest single industry is an important factor in EMPIRE TRADE

BRINGING
EMPIRE RAW SUGAR
TO
CANADA
THROUGH THE YEAR-ROUND OPEN PORT
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SAINT JOHN, NEW BRUNSWICK
THIS IS REFINED IN OUR MODERN AND HIGHLY EFFICIENT PLANT
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PRODUCTS COMPLETES THE CYCLE OF
TRADE FROM RAW MATERIAL TO
CONSUMER ALL WITHIN THE
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ATLANTIC SUGAR REFINERIES
LIMITED
SAINT JOHN - - NEW BRUNSWICK

DALHOUSIE MILL LATEST ADDITION TO PAPER MAKERS

International's Plants Add Appreciably to Province's Output

Development of the pulp and paper industry in New Brunswick has been an outstanding feature of the province's industrial activity in recent years; the largest facter in production of newsprint is New Brunswick International Paper Co., a subsidiary of Canadian International Paper Co.

The company represents the successful completion of carefully laid plans. Three years ago there was no newsprint mill at Dalhousie; today there is a $12,000,000 modern plant capable of turning out 500 tons of newsprint a day. The layout of the mill will permit installation of two additional machines when needed, but the existing situation in the newsprint industry does not point to any extension in this project for a few years.

Centre of Community

The big mill is located on the Bay of Chaleur and around it has grown a fair-sized community. Due to its tidewater location, excellent facilities for obtaining wood supplies and modern equipment for manufacture, operations can be conducted on a low cost basis, a vital factor in these difficult times in the industry.

The Restigouche River provides one of the greatest sources for timber in the province, its shores being heavily timbered while it is fed by numerous tributaries from running through forest areas.

Plenty of Pulpwood

Pulpwood is obtained from the company's own lands and from Crown lands located on the watersheds of the Restigouche. It is estimated that under the adopted method of scientific logging and cutting that the available supply of wood from these holdings is more than sufficient to allow for perpetual operation of the paper machines at the mill.

Shipments can be made for seven months of the year by water direct from the mill. This naturally is an important point when considering transportation costs. During the five winter months, however, the bay is frozen and exports must be made by rail.

Power From Associate

Power for plant operations is obtained from the Saint John River Power development at Grand Falls, 104 miles distant. Transmission lines bearing current at 132,000 volts were constructed across country and power was available from this source when the paper mill came into operation in 1928.

Activity of New Brunswick International Paper Co. has given considerable stimulation to industrial activity in the province. Construction alone entailed the outlay of many millions of dollars and the weekly payroll runs up into substantial sums.

Power Was Necessary

The industry, therefore, provides an example of how New Brunswick is exploiting her vast natural resources. For many years International Paper Co. owned substantial timber interests in the province but there was not power in sufficient quantities to allow manufacturing operations to be carried on.

With construction of the 80,000 horsepower hydro project at Grand Falls by a subsidiary of Canadian Hydro-Electric Corp. the path was made easy. Plans for the paper mill went forward with expedition and today were successfully completed.

Great Lakes Boat Ties Up at Moncton

Recent arrival in Moncton of a steamer of 1,100 tons from the Great Lakes with 28,000 bags of flour marked a new era in the transportation in the Petitcodiac River. Though schooners are no strangers in that water, citizens of half a century ago dreamed of West Dock at Moncton, and a considerable development of shipping.

This dream was not fully realized but arrival of a steamer from the lakes was an event of considerable interest.

Atlantic Sugar Refineries Continues Steady Progress

Company Will Change Name But Products Will be Marketed Under Old Trademark — Capital Reorganization

Though shareholders of Atlantic Sugar Refineries have consented to a plan whereby the property will be taken over by a new company to be known as General Sugar Refineries, the old trade name of 'Lantic Sugar, which has been synonymous with New Brunswick industrial life for many years, will be retained. The big sugar refining plant on the harbor of Saint John has long been a land mark, its location, providing direct ocean communication with the sources of its supply of raw materials, has been an important factor in enabling the company to make progress in face of difficult world conditions in the sugar industry.

One of the features of Canadian industrial activity in the past two years has been the improvement reported by sugar refining companies. In the past three years Atlantic Sugar has been able to report increased profits, and last year's earnings were the highest to be recorded since the company's reorganization in 1926. The improvement was due, in part, to application of dumping duties on imports from Cuba.

Early in 1931, control of the company was obtained by a Toronto group. One of the first moves of the new interests was to introduce a plan which sought to enable the company to pay dividends on its preferred stock. At that time the trust deeds of the bond issues placed sharp restrictions on distributions to shareholders.

This plan, however, did not meet with general approval and was dropped. Within the past month, however, another plan has been put forward which has been approved by shareholders. The old company will be taken over by General Sugar Refineries, and some changes will be effected in the existing capital structure.

New Preferred Stock

Under the plan preferred shareholders will get one share of class "A" preferred stock in the new company together with $82 of debentures for each share of stock held. In other words, preferred shareholders are offered an exchange of securities on a par for par basis while the $82 represents arrears of dividends to date. The common stock holders are offered $30 in cash for each share of stock held.

Adoption of a plan put forth by General Sugar Refineries indicates that dividends may soon be paid on the preferred stock. Under the terms of the trust deed the company could not pay any dividends until funded debt had been reduced to $3,000,000. Part of the present plan provides that the sinking fund be accelerated so that the funded debt be reduced to that figure sooner than would have been possible had the old sinking fund basis prevailed.

Fraser Co's. Operations Important to Province

Substantial Expansion in Past Two Years With Falling Off in Market Has Necessitated Plan of Reorganization

Fraser Companies has met with financial reverses in the past two years and a reorganization of the capital structure is presently under way. But the property is still intact and still remains the largest pulp and paper operator in New Brunswick.

Fraser Companies has been identified with forestry operations since the earliest days of the province. Originally the Fraser interests were primarily concerned with lumbering, but this gradually extended into wider fields until today the company is an integral factor in New Brunswick industrial activity.

Diversity of Output

Output of the company includes high-grade sulphite pulp, a wide variety of fine paper, while its lumbering activities are extensive. The company controls some 4,000 square miles of freehold and leasehold timber limits. Its saw mills have an annual output of about 160,000,000 feet of spruce lumber.

Some idea of the company's scope is gained from a glance at its properties. These include a bleached sulphite pulp mill at Edmundston, another at Athol, and an easy bleaching sulphite pulp mill at Chatham. Through its subsidiary Fraser Paper the company controls at Madawaska, Me., a modern high-grade paper mill producing bond, catalogue and waxing papers and paperboard. This mill contains six machines capable of turning out 66,000 tons of paper a year.

The wide expansion carried out in the past few years, together with a heavy burden of fixed charges and lower prices for production, have combined to make inroads into the company's finances. The last addition to the property was the big sulphite pulp mill at Athol which was completed in 1930 at a cost of $4,500,000.

Lumbering operations have been unprofitable as a whole in recent years. Pulp prices have dropped sharply and demand for paper has been curtailed. Profits of Fraser Companies have fallen off, interest charges were not earned and it became apparent that the capital structure would have to be changed in some manner if the company was to meet its obligations.

Accordingly a plan has been placed before security holders for their approval at a meeting to be held shortly. Holders of the company's debentures will bear the brunt of the reorganization.

The burden which fixed charges have placed on the company is illustrated by figures for the past two years. Earnings in 1930 were $1,278,289 but after all charges there remained a deficit of $4,219,470. Last year earnings showed a slight improvement totalling $1,382,341 but again depreciation and fixed charges resulted in a deficit of $2,185,803.

Fraser Companies has a great stake in New Brunswick. Its mills provide employment for thousands of workers and its properties are valuable. Improved conditions will doubtless find reflection in the company's operations in the future.

NEW BRUNSWICK PULPWOOD CUT REGISTERS GAIN

Timber Cut in 1931 Above Initial Estimate of Government

During 1931, 483,458 cords or 241,000,000 feet of wood were manufactured in the New Brunswick pulp and paper mills, according to figures given in the annual report of the Department of Lands and Mines.

The amount manufactured last year was 73,900 cords or 15 per cent greater than the preceding year, when the total amount manufactured in New Brunswick was 409,558 cords. The report states that of the total amount of wood manufactured in the pulp and paper mills of the province during 1931, 189,285 cords or 94,000,000 feet were supplied from Crown Lands.

Better Timber Cut

The report goes on to say that: "The timber cut in the past logging season of 1930-31, namely 104,000,000 feet, was slightly over the estimate of 90,000,000 and less than half the preceding year's cut, when it totalled 224,000,000 feet. During 1930-31 40,042 railway ties were cut from Crown Lands as compared with 60,243 ties in the preceding year.

The unmanufactured pulpwood exported from New Brunswick during 1931 amounted to 171,305 cords which is in excess of the amount exported in 1930, namely 165,280 cords.

Use More Pulpwood

The total amount of pulpwood manufactured in New Brunswick or exported in a raw state in 1931 totalled 654,763 cords equivalent to 327,000,000 feet. This was 79,928 cords more than in 1930. During the 1930-31 logging season 32,000,000 feet of green pulpwood, 16,000,000 feet of fire-killed pulpwood, a total of 48,000,000 feet of pulpwood was cut from the Crown Lands, as compared with 82,000,000 feet the preceding year. When considering the above figures, it must be borne in mind that the wood manufactured into pulp or paper in any one year is taken largely from the preceding year or two years' cut. This is particularly true now that pulp and paper companies are endeavoring to reduce their wood inventory.

Estimate Current Season

It is estimated from the best information now available to the department that the cut from Crown Lands in 1931-32 including poles, pulpwood, railway ties and sawlogs, etc., will be equivalent to 105,000,000 feet of green timber and 10,000,000 of fire-killed pulpwood, which is still being salvaged from the 1923 fires. While this is ten per cent more than the preceding year, it is still less than half the normal cut from the Crown Lands of 250,000,000 ft. and indicates the serious difficulty under which the forest industries are struggling. Through co-operation with the Federal Government, the reduction in stumpage of approximately one dollar per thousand made in 1930-31 was continued for the season 1931-32 for the purpose of assisting in increasing employment by stimulating logging operations, and there is no doubt that operations have increased due to this reduction in stumpage.

NIMRODS ACTIVE IN PAST SEASON REPORT REVEALS

Record of Big Game Killed Registered By New Brunswick

There were 477 moose and 9,594 deer killed in New Brunswick during 1931, according to figures contained in the annual report of Chief Game Warden.

The decrease in the kill of moose last year, compared with 1930 when 1,066 moose were killed was 619, but according to the Chief Game Warden this decrease was anticipated following the amendment to the Game Act prohibiting the sale of game meat. The sale of resident deer licenses reached a new peak in 1931 of 11,926. The Chief Game Warden reports the estimated kill of deer in 1931 to have been 9,594 as compared to the estimated kill of deer in 1930 of 10,930.

November Best Month

An interesting feature of the report shows that from October 1 to October 15, 15 per cent of the kill was reported; from October 16 to October 31, 18 per cent; from November 1 to 15, 28 per cent and from November 16 to November 30, 39 per cent. The general tendency to shoot buck deer in preference to doe is shown by the returns as 65 per cent to 35 per cent.

Non-resident hunters reported a kill of 84 moose and 504 deer in 1931, the report states.

Good Partridge Season

A very successful partridge season was reported, with a bag of 44,469 birds, and also very favorable reports of a large increase in the number of partridge seen after the close of the partridge season as compared to last year.

A normal season was reported as regards native birds as well as those breeding in the far north, with the exception that the earlier flight of brant showed a low percentage of young brant down 7 per cent to 20 per cent reported by different observers, a condition which seems to change from year to year, possibly accounted for by stormy weather in the north at hatching time.

Bird Bag Big

The reported kill is as follows: geese 2,119; ducks, 16,406; brant, 1,675. The much discussed shortage of ducks did not affect the situation in New Brunswick, where fortunately we are not subject to drought conditions, as in the Western Provinces.

Statistics contained in the report show that for the last ten years 13,601 moose have been killed in New Brunswick and 69,016 deer.

FISHING WATERS DRAW ANGLERS FROM OUTSIDE

New Brunswick Issued More Licenses Last Year

An increase of 8 per cent in the number of non-resident fishermen in New Brunswick was recorded during 1931.

The number of non-resident hunters showed a falling off in the last year, due to the fact that the general financial conditions in the United States forced the curtailment of hunting trips to New Brunswick by a great many big game hunters. Yet it is significant that taking the fishing and hunting returns together there were but nine less non-resident sportsmen in New Brunswick in 1931 than in the previous year.

Over 2,000 Licenses

The Government issued 2,198 non-resident fishing and hunting licenses during 1931. These included moose, deer, bird, trout, three day salmon and trout, rod licenses for the Restigouche and Upsalquitch Rivers and bear. There were 124 more non-resident fishermen in the province last year and 133 less non-resident hunters.

A total of 23,952 resident licenses of all kinds were issued, which is 2,269 less than the preceding year, no doubt due to the financial conditions and to changes in the game laws particularly in regard to the prohibition of the sale of game meat and the shortening of the open season for deer by 15 days. Included in the resident licenses are 4,809 bird licenses, which is 951 more than the number sold the preceding year. This license gave the right to residents to take partridge (October 1 to 15), and other game birds but not big game. The special game refuge fishing permit was made applicable to all game refuges and 167 permits issued to residents to fish on the waters of the various game refuges in the province. Resident deer licenses increased in number from 10,860 to 11,926, but resident moose licenses decreased from 10,204 to 6,024. This accounts for the greater part of the reduction in revenue from game sources.

MONCTON TRAMS PROVIDE SERVICE IN GROWING AREA

Competition From Buses Expected to Be Overcome

Moncton Tramways, Electricity, Light and Power Co. serves the second largest industrial centre in New Brunswick. The company does not generate its own power, but buys its requirements from the New Brunswick Electric Power Commission, and retails it over its own distribution system.

Moncton Tramways serves over 5,000 customers with electric energy, and approximately a similar number in Moncton and Hillsborough with natural gas. This gas is obtained from natural gas fields in the vicinity, and extensions to mains have been made in recent years.

As far as its tramway operations are concerned, progress has been hampered in recent years by competition from independent buses. This situation has obtained in several centres where buses and tramways oppose each others activities, but it is expected that a favorable agreement will result in some form of co-operation.

The Moncton Tramways operates its own store in connection with sales of electric appliances. This store has been in force for the past three years and has resulted in encouraging sales of appliances together with an increased load on the company's lines.

Moncton Tramways is a subsidiary of Utilities Power and Light Corp. which also controls other utilities in the Maritime Provinces.

Power Commission Plans Widen Distribution Area

A matter of substantial importance to the towns of Chatham and Newcastle and the county of Northumberland in general, is the proposal to link up that area with the electric power plant of the New Brunswick Power Commission at Grand Lake. The plan would involve taking over small plants in Chatham and Newcastle, which have no excessive power for industry purposes and erection of rural transmission lines to the county. The current would be carried over 70 miles from Grand Lake and an expenditure of about $750,000 would be required.

Canadian Hydro Electric Has Stake in Province

Through Subsidiary, Gatineau Power, Operates Largest Hydro Project in New Brunswick, Producing 80,000 Horsepower at Grand Falls

Canadian Hydro-Electric Corp., through its subsidiary Gatineau Power Co., has a substantial stake in New Brunswick. At Grand Falls on the Saint John River is the largest hydro-electric development in the province and this 80,000 h.p. station is operated by the Saint John River Power Co. which was last year acquired by Gatineau Power.

This great development at Grand Falls was primarily undertaken to supply power for the Dalhousie mill of New Brunswick International Paper Co. The first unit of 20,000 h.p. was brought into production four years ago and the three additional units bringing output up to 80,000 h.p. have been added, the last installation being made in 1930.

Sell to Fraser

Of present output, 20,000 h.p. is sold under a 40-year contract to Fraser Companies and the balance goes to the paper mill at Dalhousie. In order to transmit the power to that point it was necessary to construct a 104-mile transmission line, capable of carrying 132,000 volts.

In addition to this industrial load, the power company supplies energy to the municipalities of Grand Falls and Dalhousie, owns the distributing system at St. Leonard and supplies retail power to that community.

Important Power Site

The Grand Falls power site is generally regarded as one of the largest and most important in the Maritime Provinces. Though it is not as large as some of the others elsewhere in the Dominion, the amount of power that can be generated there represents a substantial proportion of New Brunswick's total hydro power resources.

There is no direct investment interest in Saint John River Power Co. In 1929 Gatineau Power acquired all the outstanding common stock in connection with the acquisition of the company's first mortgage bonds and in 1931 made application to the New Brunswick legislature for the right to take over the charter and properties of the company.

Parent Makes Progress

This Maritime enterprise is especially interesting since it is an integral part of the great utility system, Canadian Hydro-Electric Corp. The latter is now one of the largest producers of power in the Dominion and established record earnings in 1931; a noteworthy achievement in face of present industrial conditions.

Earnings of Canadian Hydro-Electric Corp., which in turn is controlled by International Hydro-Electric System, in 1931 were equal to $18.44 a share on the preferred stock, compared with $15.40 a share in the previous year. Production of the corporation's energy was well-maintained during the year, the consolidated load being 650,235 h.p. This compared with a peak load of 605,495 h.p. in 1930.

Gains Made This Year

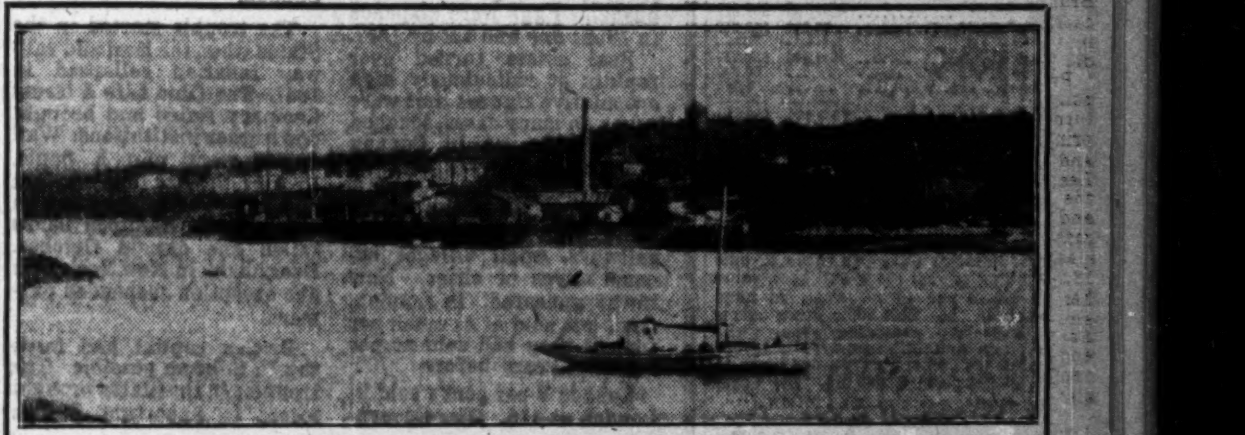
In the first quarter of the current year, further gains were noted. Gross revenue of Canadian Hydro-Electric Corp. to March 31, 1932, was $2,358,778, a gain of over $200,000 over the corresponding period of the previous year. The balance available for dividends on capital stock totalled $728,471 compared with $498,196. Dividend requirements remained unchanged and a balance of $540,971 remained for the quarter. This compared with a similar balance of $310,696 in the same period of the previous year.

Leaders in The Maritimes

Wholesalers and Retailers of:

Heavy and Shelf Hardware
Paints, Oils and Glass
Sporting Goods and Auto Accessories
Silverware and Kitchenware

W. H. Thorne & Co. Ltd.
Saint John, N.B.



View of Black's Harbour, N.B., showing world's largest sardine plant—operated by Connors Bros. Ltd.

A Great New Brunswick Industry
whose products circle the globe

In their endeavour to better serve their many customers throughout the world, Connors Bros. Ltd. have established at Black's Harbour, N.B., a pure food Research Laboratory—under a qualified resident research director.

Through the help of this Laboratory—one of the most up-to-date of its kind in America—the position of Connors Bros. Ltd. has been strengthened throughout the markets of the world.

Connors Bros. products are prepared in the most scientific manner; are unsurpassed anywhere; and owing to large production these quality products are available at very moderate prices.

The new lines introduced this year by Messrs. Connors Bros. Ltd., such as Dining Car Special Sardines and their Fresh Herrings in Tomato, have met with wonderful success. They are a one hundred per cent Canadian product and a tribute to Maritime Industry and Science. Their season's pack of these lines sold out early in the year.

Greater interest in sea foods is being shown by the people of Canada from year to year, especially when these goods are scientifically prepared and put up in such a convenient manner. Connors' Sea Foods are a convenient and healthful meal at a minimum of cost.

Brunswick, Glacier and Jutland Brand Sardines.
Other fish products: Kippered Herring, Chicken Haddie, Clams.

CONNORS BROS. LIMITED
Black's Harbour, N.B., Canada

ANNOUNCING
the opening of our new office in
Saint John, New Brunswick
105 PRINCE WILLIAM STREET

This office will render a
complete investment
banking service

REPRESENTATIVES:
John R. Gale *Eber H. Turnbull*

NESBITT, THOMSON
and Company Limited
355 St. James Street West, Montreal
Quebec Ottawa Toronto Hamilton London, Ont. Winnipeg
Saskatoon Calgary Victoria Vancouver

Electric Light & Power
Street Railway
Gas Heating & Lighting

A reliable, old established
company giving assured service at the lowest rates

⚜

Our engineering service is always at the disposal of our patrons or prospective patrons, and we shall be very pleased to furnish information or assistance.

NEW BRUNSWICK POWER COMPANY
A. E. REYNOLDS, *Vice-President and General Manager*
Saint John, New Brunswick

ROGERS-MAJESTIC DREW ON SURPLUS; CASH IS STRONG

Report Reflects Conditions in Radio Industry in 1931

Despite an increase in unit volume of sales Rogers-Majestic Corp. completed the year ended March 31, 1932, with an operating loss of $209,672, compared with an operating profit of $465,489 in the previous year, due to the low unit price per set and extremely keen competition in the industry. While working capital is somewhat lower the ratio of current assets to current liabilities has been well maintained and the company is shown with a strong liquid position and no bank loans.

The income and surplus account for the year shows reduction in surplus to $528,472 from $908,861 after provision for depreciation and dividends. Compared with the previous year, the statement is as follows:

CONS. INCOME AND SURPLUS ACCT.
Years Ended March 31

	1932	1931
	$	$
Net oper. profit	*209,672	465,489
Add: Sundry revenue...	30,600	37,470
Net income	*179,072	502,959
Less: Deprec. & bad debts	92,047	85,207
Income tax res.	4,678	27,374
Net profit	*275,797	390,378
Less: Dividends	75,829	150,659
Total surplus	†351,126	239,719
Less: G'will w/o	......	50,000
Incorp. exp. w/o	......	3,100
Net surplus	†351,126	186,619
Add: Prev. surplus	908,861	815,779
Less: Prior yr. bonus..	......	62,775
Invent., adjust., etc...	14,872	30,762
Income tax adj.	14,391	......
Bal. carried forward ...	528,472	908,861

* Loss. † Deficit.

The balance sheet shows net working capital of $9.79 per share of outstanding capital stock and book value of $22.32 per share. Cash on hand amounts to $192,409, down from $573,065 the preceding year, while accounts and bills receivable, inventories, etc., after reserve, are down to $1,165,305 from $1,269,095. The working capital position is as follows:

Working Capital

	1932	1931	1929
	$	$	$
Current assets	1,357,713	1,842,160	1,854,370
Current liabs..	128,676	166,533	234,981
Work. capital .	1,229,037	1,675,627	1,619,389
Ratio	10.55—1	11.06—1	7.89—1

Land, building, machinery and equipment have been increased by $100,000 to $894,975, subject to increased depreciation reserve of $219,013. Patents, processes and premium on shares of subsidiaries is down to $849,110 from $874,101. Investments at book value are carried at $68,150. Unearned income is carried as a deferred liability of $18,892. There remains outstanding 125,549 shares of no par value, carried at $2,225,228, of which 115,355 are class "A" shares and 10,194 are class "B" shares. Capital surplus remains at $49,667; earned surplus is $528,472.

The company is now manufacturing and distributing a line of electric refrigerators while sale of made-in-Canada radio sets may be increased by additional customs protection granted by the Dominion Government.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Frontenac Ink Works have opened an Ontario branch with offices at London, Ont. E. E. Adams is manager.

Quaker State Oil Refining Co. of Oil City, Pa., has formed a Canadian subsidiary and is establishing a bleeding plant. New concern will be called Quaker State Oil Refining Co. of Canada and 5,000 sq. ft. of space has been leased in the Warren Bituminous Paving plant on Fleet St. Howard Horton, of Toronto, is in charge of Canadian interests, the Toronto Industrial commission states.

Erie Resistor Co. of Canada has doubled the size of its plant space since locating in Toronto last year, the Toronto Industrial Commission announces. Carrying out in Canada of processing formerly done by the United States parent company is given as the reason for the expansion.

Potash Co. of Canada, Ltd. has been formed, with offices in the Royal Bank Building, Montreal, to carry on in Canada the business formerly conducted from New York City by the Potash Export My., of Amsterdam, Holland. The officers and directors of the company are: H. Hollesen, pres. and man. dir.; R. Glide, vice-pres. and man. dir.; H. E. Lefevre, treasurer and gen. mgr. and G. J. Callister, director. C. R. McKenzie is secretary of the company. In addition to its commercial activities the company will carry on the agricultural and education work undertaken by the United States company during the past four years.

Will Hasten Repairs on Vickers Drydock

From Our Own Correspondent

MONTREAL.—Federal aid in repairing the drydock of Canadian Vickers is expected to follow the damage created by a recent fire in that unit of the company's activities. No estimate of the damage involved has been made public.

Hon. Alfred Duranleau, Minister of Marine, has stated that the government will see that repairs to the drydock will be executed without delay and that it will be placed in operation as soon as possible.

Canadian Vickers drydock was towed out from England in 1912. At that time it was capable of accommodating the largest vessel in the British Navy. The company receives an annual subsidy of $105,000 under the Subsidies Act until 1948.

National Sewer Pipe Dividend is Reduced

Common dividends of National Sewer Pipe Co. will be reduced to an annual rate of $1.20 per share from the former rate of $2.00 per share with the payment on June 15 of a quarterly dividend of 30 cents to shareholders of record May 31. The dividend on class "A" shares payable on the same date was maintained at the usual rate of $2.40 per year.

Dividend action taken by the company is stated to be "necessitated by reason of reduced earnings and to maintain the company's strong liquid position." Net earnings from operations in the year ended Oct. 31, 1931, was $155,591 as compared with $191,169, the previous year. Interest and other revenue showed a slight increase which was offset by increased federal income tax so that the company earned class "A" and common dividends by a margin of only $1,962 as compared with a margin of $64,099 the previous year.

Canada Comes Through -- 1857

AFTER the business disturbances of 1848, Canada enjoyed several years of continuous prosperity. In fact, Upper and Lower Canada indulged in an orgy of railway, land and commodity speculation that had its counterpart later in the bull market of 1927-29.

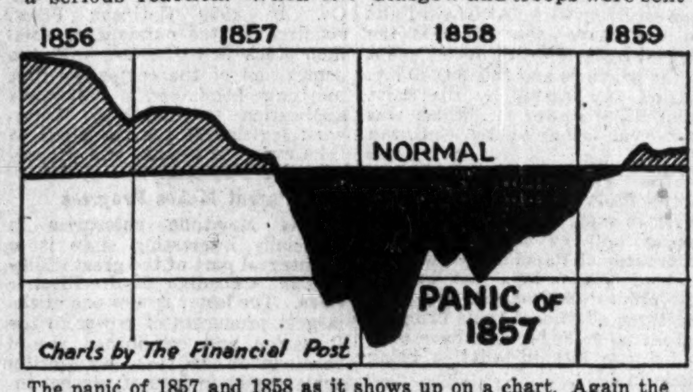
In 1849 there were 50 miles of railway line in Canada. In 1854 there were 13 railways under construction with prospective mileage of 1,980. The offer of Grand Trunk shares in England in 1853 was oversubscribed 20 times. In ten years around $100,000,000 was spent on railways in Canada and $11,500,000 on canals, governments borrowed freely, there was an increase in employment, immigration, wages, prices, imports and general trade.

Commodity prices climbed on the heels of the Australian and California gold discoveries. Wheat in Toronto rose from 4 shillings to 9s.6d. a bushel. Eggs were sixpence in 1852; one and six by 1857.

Real estate turned over rapidly at ridiculously high speculative figures that were never, in many cases, touched again. One lot in Canada West sold at $48,000 but there were no takers when it was offered at $8,000 half a century later. Along the new railways, small villages became towns or cities. New towns appeared. In London, Ont., lots sold at as much per foot as they had sold at per acre ten years before.

Canada 6 per cent's sold in London at 116. The Government had a surplus in 1854 of £100,000.

After such a period of inflation, there was bound to be a serious reaction. When it came it brought with it problems of deflation that were quite as difficult to master as the ones we face today in Canada.



The panic of 1857 and 1858 as it shows up on a chart. Again the figures of the Cleveland Trust Company have been used as no data of Canadian economic conditions exist for the years prior to 1867.

The trouble started in the States when the land and railway inflation collapsed in 1857. The Ohio Life & Trust Company failed and brought down other institutions. Wall Street went into a panic. Brokerage firms toppled right and left. There was a run on every bank. Eighteen banks failed one day in October. Every bank in New York with one exception suspended payment.

British capital had made the U. S. boom possible. The troubles in the States brought losses to important British houses. The Indian Mutiny and the close of the Crimean War had already unsettled affairs. There was panic in Glasgow and troops were sent for to quell rioting outside the banks. The Bank of England raised the discount rate to 10 per cent. Private bankers stopped discounting. Parliament assembled hurriedly to sanction an additional note issue. Consols fell to 86½. Many large firms failed.

The crises abroad were soon reflected in Canada. There was also a poor crop in 1857. The flow of British capital suddenly ceased; over-capitalized railways found themselves without cash. The land boom collapsed at once. Banks found themselves loaded up with practically worthless paper. The municipalities, which had loaned recklessly to railway promoters, were insolvent and their guarantees had to be taken over by the Government.

Canada had a deficit in 1858 of $1,100,000. Import and export trade declined sharply. Circulation fell by a third and discounts accordingly. Industries virtually closed up shop.

The year 1858 was a year of deep depression in Canada. Exports to the United States, which had risen from $5,000,000 in 1850 to $18,000,000 in 1856 following the Reciprocity Treaty, declined to $12,000,000 in 1858. Toronto, which claimed (but probably didn't have) a population of 55,000 in 1855, lost many citizens and the population declined to 45,000.

Complete confidence of British capital in Canada was not restored again during the nineteenth century.

Yet, after this serious economic disturbance conditions gradually improved. There were several years of comparative tranquillity and in some lines a boom, engendered by the United States Civil War.

Almost as soon as recovery set in, eight new banks were chartered in Canada. The depression left its marks but they were erased in time. The lessons were well learned and not for many years did Canada pass through such a foolish and widespread land or construction boom.

Hopeless as the outlook seemed in 1857 and 1858, Canada came through, strong and vigorous, and anxious and able to regain its steady pace of development.

Next week, 1865.

Chemical Research Corp. Negotiates Option Deal

Long Term Option Taken By American Locomotive Co. President Says Distinct Step Forward But Does Not Give Details of Why High Option Price is Justified

Shareholders of Chemical Research Corp. are in receipt of an announcement over the signature of F. S. Beall, president of the company, advising of arrangements negotiated between the Gyro Process Co., a subsidiary of Chemical Research Corp., the American Locomotive Co., and its wholly owned subsidiary Alco Products, Inc., whereby the latter assumes the management of the Gyro Process Co.

Under the terms of the agreement American Locomotive Co. shall have the opportunity of purchasing 250,000 shares of Chemical Research Corp. by the payment of $5 per share at any time up to June 15, 1934, or by the payment of $6 per share after June 15, 1934, until June 14, 1935.

Each Chemical Research shareholder shall have the right to deposit five-sixteenths of his holdings in escrow with the Union Guardian Trust Co. of Detroit until the option shares are taken up or expire on June 14, 1935.

Upon 250,000 shares of Chemical Research stock being deposited the American Locomotive Co. deposits for distribution pro rata, through the Trust Corp., 2,500 shares of its 7 per cent preferred stock. Thus each Chemical Research shareholder will receive one share of American Locomotive for each 100 Chemical Research shares deposited in escrow, pending the option agreement being exercised. The notice says that the 250,000 shares in Chemical Research stock must be deposited by June 30, 1932, to meet the terms of the agreement.

Shareholders in Dark

F. S. Beall, president of the company, refers to the agreement as being a distinct step in the forward progress of the corporation, but he fails to make any comments on the terms of the agreement or say just how shareholders or the company may hope to profit by the transaction, thereby leaving them as much in the dark on this negotiation as he has on previous activities of the company, which have been subject to criticism by The Financial Post.

The American Locomotive Co. was incorporated in 1901, and is an important American industrial company with Canadian interests through control of the Montreal Locomotive Works and Canadian Steel Tire & Wheel Co., both of Montreal. The Alco Products, Inc., was formed late in 1930 for the purpose of engineering, designing and constructing process plants and all equipment pertaining to the oil refining industry. Under the terms of the agreement the Alco Products Co. assumes full charge of Chemical Research's operating subsidiary, the Gyro Process Co. This latter company has a capitalization of 1,000 no par value common shares, 750 of which are owned by the Chemical Research Corp., and 250 by the Pure Oil Co., which also has an option to purchase 150 shares of Chemical Research's holdings.

From the notice it is inferred that the 2,500 American Locomotive preference shares are to be taken as an initial payment or bonus in consideration of the 250,000 Chemical Research shares deposited in escrow. These preferred shares of American Locomotive Co. have a current market price of $31 per share, therefore, the immediate consideration for entering the agreement with a possibility of tying up the stock until June 14, 1935, is the receipt of one American Locomotive preference share for each 100 shares of Chemical Research or the equivalent of 31 cents per share. At the expiration of the final option date, June 14, 1935, American Locomotive has the privilege of deciding what course it will take and whether or not it will exercise its option.

The whole situation is further involved and is as yet unexplained by the action of Chemical Research in March this year, increasing its authorized capitalization from 720,000 shares to 800,000 shares. The necessity of appealing to the shareholders to enter the option agreement for the stock when it might be purchased in the open market is likewise unexplained.

The Financial Post was informed by Mr. Beall a few months ago that only 15 per cent of the capitalization of Chemical Research, or approximately 100,000 shares, was in the hands of the general public and that the balance was held by the directorate. Such being the case, it is not made clear why the shareholders are appealed to and advised to pool their stock since if the general public held but 100,000 shares their proportionate interest would be approximately 30,000 shares.

Previously Criticised

The criticism directed at the company's management in the past by The Financial Post, has been for its failure to keep shareholders informed of the company's activities and financial position. In defense of this policy Mr. Beall, president, advised The Financial Post that he did not consider it in the interests of the company to expose its activities to its competitors, a policy that left the shareholders very much in the dark as to the company's operations.

Beyond the statement that he believed that this agreement marks a distinct step forward in the progress of the Corporation, shareholders are as much in the dark as before.

The security in posting the 2,500 shares of American Locomotive stock represents at current market prices a commitment on the part of American Locomotive Co. of approximately $77,500. These shares are currently paying dividends, but the fact that in the last fiscal year the company had a large deficit from its operations, leaves shareholders somewhat in doubt as to future dividend policy and consequent market trend of the shares.

The market for Chemical Research shares was quick to respond to the new negotiations and prior to the announcement the shares jumped from around 60 cents a share to a current price of around $1.85 per share, representing about $1,000,000 increase in the market valuation of the company. This just equals the equivalent appreciation if the option on the 250,000 shares was taken up by the American Locomotive Co. at $5 per share and leave the shareholders as much in doubt as ever for an explanation as to the market activities that have characterized the stock.

UNION TRUST CUTS DIVIDEND

Union Trust Co. will pay a quarterly dividend of 1¼ per cent on capital stock on July 1 to shareholders of record June 20. This represents a decrease in the annual dividend rate from 7 per cent to 5 per cent. The company has paid dividends regularly at the annual rate of $7 per share since 1918 and from 1927 to 1930 also paid a bonus of $1 a share.

NIAGARA WIRE PASSED DIVIDEND

Common dividend of Niagara Wire Weaving Co., due July 1, will not be paid although preferred dividends payable June 30 have been declared. With the dividend payment made on the common on Jan. 2, 1932, the company reduced the annual rate from $1.50 to $1.00 per share. The common dividend was paid through 1930 and 1931.

MAY RETURNS SHOW NO CHANGE IN PAPER DEMAND

Production to Date is 12 Per Cent Below Last Year

From Our Own Correspondent

MONTREAL. — No improvement is noted in production or shipments of newsprint during May last, judging from the report issued by the News Print Service Bureau. During that month Canadian mills turned out 175,887 tons of newsprint, which was equivalent to an operating ratio of 54.6 per cent of capacity. In the previous month production totalled 176,660 tons, equal to 54.9 per cent of operating capacity. In comparison with May last year, however, the decline in operation is more noticeable. For that month output amounted to 202,607 tons, or 63.0 per cent of capacity.

During the first four months of the current year Canadian mills manufactured 842,743 tons of newsprint. This is 110,559 tons less than in the corresponding period of 1931, a decrease of 12 per cent. How this figure compares with production in the January-May period of recent years is shown in the following table:

	Tons
1932	842,743
1931	953,302
1930	1,070,848
1929	1,086,419
1928	967,497
1927	826,083
1926	735,152
1925	623 143

Shipments Move Down

Reflecting consumption, shipments of newsprint were again lower during May, amounting to only 172,954 tons compared with 186,443 tons in April, 1932, and with 202,280 tons in May, 1931. Most of this decrease has been due to lower shipments to the United States, as exports to overseas countries have held up comparatively satisfactorily except in one or two cases.

Since the beginning of the year Canadian mills have shipped 840,286 tons of newsprint. This is the lowest figure for the five month period since 1927 and compares with 946,861 tons in 1931. The high point of shipments for January-May was reached in 1929 when exports aggregated 1,081,487 tons.

American Mills Slipping

The Bureau's report on production and shipments in the United States indicates that American mills are finding the going more difficult. For some time plants across the border managed to maintain operations on a better scale than in Canada, but of late it is noticed that operating ratios are sinking down to a level more in line with those recorded in Canada.

During May last production of newsprint in the States totalled 88,087 tons, or equal to 59.0 per cent of capacity. This compares with 91,235 tons, or 61.1 per cent, in April, 1932, and with 101,202 tons, or 58.8 per cent in May last year.

In the first five months of 1932 American plants produced 460,671 tons of newsprint. This is a lower figure than that reported for any corresponding period in more than 10 years and compares with 492,644 tons in 1931.

Demand is Limited

Shipments of newsprint from American mills have followed the trend of production, the May figure being 88,525 tons, as against 94,296 tons in April, 1932, and 102,555 tons in May, 1931.

Cumulative shipments for 1932 to date amount to 458,040 tons. This compares with 495,718 tons for the same period last year. During the last eight years, the record for shipments in the January-May period was in 1926, when American mills despatched 697,147 tons.

Newfoundland Leads

Production of newsprint in Newfoundland continues to be the only bright feature of the report. Last month the Island mills turned out 24,627 tons. This compares with 22,349 tons in the preceding month and with 24,396 tons in May, 1931.

For the five months period of 1932 production amounted to 112,970 tons, as against the record output of 119,714 in January-May, 1931. Due to low cost production and exceptionally cheap transportation facilities, the Newfoundland mills have managed to maintain a very high operating ratio.

There has been no improvement in the volume of newsprint stocks on hand at Canadian and American mills. In March the combined stocks reached the record figure of 102,225 tons—a higher level than that reported in the fall of 1928 and immediately preceding the slump in operations. There was a drop in the supply during April to 89,321 tons, but the May report shows stocks on hand of 92,170 tons. This is the highest figure ever reported by the industry for this time of the year.

There is usually an accumulation in the fall months anticipating the seasonal upturn in demand during the winter months. As a rule, stocks dwindle rapidly after the opening of navigation, but this year proves an exception, indicating that the demand is even less than that anticipated by the operators.

U. K. ATTRACTED BY NEWFOUNDLAND SAYS H. F. GURNEY

British Visit of H. M. Trade Commissioner Brings Results

Interviews with no less than 450 British business and commercial firms interested in Newfoundland, were reported by H. F. Gurney, H. M. Trade Commissioner to Newfoundland and the Maritimes, when he returned from a business trip to Great Britain recently. As a result 28 firms are planning to send representatives to Newfoundland in the near future.

Speaking of the results of his trip to Newfoundland Board of Trade recently, Mr. Gurney said in part:

"During my trip I visited 16 of the principal industrial centres, ranging from Glasgow and Newcastle in the north to Swansea and Southampton in the west and south. Altogether I was interviewed by over 450 individuals interested in trading with Newfoundland.

Anxious For Openings

"Many subjects were discussed at these interviews relating to trade with Newfoundland and Canada. Primarily, however, my callers wished to learn whether or not openings exist here for their manufactures.

"I strongly advised the despatch of representatives to Newfoundland especially when as was often the case, I found firms trading with Canada and sending representatives regularly to that country who hitherto had not sent anyone here. As a result 28 firms informed me that they would send representatives to St. John's in the near future.

"I should like to mention here that I encountered some resentment on the part of certain manufacturers at the criticisms made of the selling methods of United Kingdom firms and also in connection with their alleged inattention to markets and slackness in making deliveries.

"I found, generally speaking, that our firms are keen to obtain business and willing to go to any trouble to get it. They are efficient and up-to-date; there was not a single factory that I visited which could be classed as inefficient. Many of them have recently been rebuilt and new machinery and equipment installed. I saw enough of their selling methods to realize that they compare favorably with those of any other nation. There are, of course exceptions and there is no room for complacency; the fact remains, however, that our manufacturers continue to sell their goods in all parts of the world in fact of the keenest competition, coupled with adverse protective tariffs, and the handicaps of high taxation and in some coses onerous trade union rules at home."

Wilson Appointed Trustee for Craig Luther & Co.

From Our Own Correspondent

MONTREAL.—At the first meeting of creditors of Craig, Luther and Co., bankrupt brokerage firm, Robert Wilson was named trustee. The following were appointed inspectors: K. A. Wilson, E. Silverstone, Frank Farr, E. M. Putman, and F. S. Mathewson.

After deducting assets from liabilities, a total deficiency of $176,870 was reported. The trustee's bond was set at $10,000.

ASSOC. QUALITY CANNERS SHOWS SIZEABLE LOSS

Operating Deficit is $577,945, Working Capital Depleted

Financial statement of Associated Quality Canners Ltd., presented at the annual meeting on May 12 but just made public for the first time shows operating losses of $539,545 in the year ended Feb. 29, 1932, compared with operating profit of $52,744 in the previous year. After provision for depreciation, write-offs, etc., surplus brought forward from the previous year is wiped out and capital is impaired to the extent of $577,945.

The comparative income and surplus account for the past two years is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended

	Feb. 29 1932	Feb. 28 1931	Feb. 28 1930
	$	$	$
Net earn.	†539,545	52,744	261,382
Less: Deprec. .	67,291	61,387	51,387
Inc. tax	......	......	16,632
Net profit	†606,836	†8,643	193,363
Less appropriations:			
Prop. of organ. exp. w/o ..	7,404	7,248	7,247
Dividends	......	90,675	120,675
Res. loss on invest. ...	70,1999	......	......
Surp. for year .	*684,439	*106,566	65,441
Add: Prev. surp.	106,494	226,236	160,795
Less: Loss on equip. sold or replaced	......	13,176	......
Bal. forward ..	*577,945	106,494	216,236

*Deficit. †Loss.

Working capital has been depleted as shown in the following summary. While cash is up to $7,260; receivables are down to $180,858 from $250,047, while inventories are up to $1,800,631 from $1,526,738 despite reserve of 13 per cent on manufactured goods. Bank loans have increased to $1,855,000 from $1,120,990 and $640,977 is owed to Whittall Can Co. and $59,085 to Belleville Canners Ltd. Bank loans are secured under section 88 of the bank act and by registered assignment of book accounts.

Working capital position is as follows:

Working Capital

	1932	1931
	$	$
Current assets	2,004,961	1,777,320
Current liabs.	2,605,392	1,339,335
Working capital	*600,431	437,985
Ratio	0.76—1	1.24—1

*Excess of current liabilities over current assets.

Fixed assets are carried at $1,567,239, after depreciation of $265,793; investment in affiliated companies is $120,613 while goodwill, formulae, trademarks, etc., are carried at $282,767. The balance sheet gives effect to acquisition of Spring Valley Canners Ltd. for 2,015 shares. Notes payable to Evans Investment Corp. amount to $60,000 and reserve for loss on investment in affiliated company is $70,199. An issue of $2,000,000 first mortgage bonds is shown as authorized but not issued. There are 82,615 shares of no par value stock outstanding carried at $1,265,780 and contingent liabilities total $467,662.

NATIONAL CAR HOLDS POSITION FOR PAST YEAR

Balance Sheet Expected to Show Increase in Investments

From Our Own Correspondent

MONTREAL.—Balance sheet of National Steel Car Corp. at the end of the current fiscal year June 30, 1932, is expected to show a financial position well maintained and working capital position only slightly lower. Earnings during the past 12 months have been on a reduced scale and the major plants of the company have been closed down for some time but some revenue is obtained from production of miscellaneous lines.

It is understood that current liabilities, which totalled $878,420 at the end of the last fiscal year, will be substantially reduced by June 30. A former bank loan of $155,000 has been paid off and accounts payable are expected to be lower.

Investments Show Gain

On the other side of the ledger it is reported that current assets will show but a slight reduction from the $2,571,930 shown last year. Receivables will be likely lower but it is understood that investments and call loans will show a gain.

The gain in the latter reflects liquidation of accounts receivable which last year totalled $1,442,000. It is stated that the company now has some $835,000 of government bonds and some $300,000 of call loans. Investments in the last report were carried at $639,091.

Dividend Was Reduced

The reduction in profits, owing to lack of orders, recently found reflection in a dividend cut which placed the capital stock on an annual basis of 80 cents a share compared with a former rate of $2 a share. Operating costs have been reduced and income for the past year will include payment of over $500,000 on account of a reparation claim which was paid to the company in the last fiscal year. Earnings in the period ended June 30, 1931, were equal to $2.62 a share.

N'foundland's Population Over 281,000 at Dec., 1931

The population of Newfoundland at the end of 1931 was 277,285 and that of Labrador 4,264, making a total of 281,549. In Newfoundland there were 140,400 males and 136,855 females, while the Labrador had 2,294 males and 2,070 females.

There were 1,588 marriages, 6,707 births and 3,913 deaths during the year.

Denominationally, the figures are:

Newfoundland and Labrador	
Church of England	90,195
Roman Catholic	92,855
United Church	76,840
Salvation Army	13,747
Presbyterian	1,903
Congregational	1,091
Other Denominations	2,051
	278,682
1931 Immigration	2,867
	281,549

May Canal Traffic Lower Than Year Ago

Freight passing through Canada's canal systems in May was considerably less than in the same month a year ago. Total freight passing through the locks of the Sault Ste. Marie canal amounted to only 1,568,462 tons as compared with 4,335,021 tons in May, 1931, iron ore being particularly light there being only one tenth of the 1931 tonnage, while wheat was lower by 12,000,000 bushels.

Light grain traffic reduced the tonnage in the Welland canal from 1,165,853 tons in May last year to 1,036,879 tons. Wheat, barley and oats tonnages decreased, while other grains, sugar, merchandise and coal were slightly heavier.

Large reductions in grain, coal and sand reduced the tonnage in the St. Lawrence canals by 281,411 tons, as compared with May, 1931, the comparative totals being 884,380 tons and 1,165,791 tons. Increases were recorded in the tonnage of rye, oils and paper.

Cattle Exports Increase

Canada's exports of cattle to the United Kingdom up to June 4 amounted to 6,518 head as compared with 5,616 head during the similar period of last year.

WOULD BROADCAST FISHING PROSPECTS TO "BANK" FLEET

Nfld. Fishery Commission Plans Pre-Season Cruise of Banks

That the intermixture of the cold water of the Arctic brought south on the Labrador Stream and the warm water of the Gulf Stream is necessary to produce ideal "bank" or "cod" water, was one of the most important findings of Newfoundland Fishery Research Commission, whose first annual report has just been issued. It was found that the warm water of the gulf stream, rich in common salt, nitrites, nitrates, phosphates and silicates, was necessary to bring to life the germs of sea life which abound in the less saline and colder water of the Labrador Stream.

Newfoundland Fishery Research Commission was founded in December, 1930, by an agreement between the British Empire Marketing Board and the Newfoundland Government, under which each contracting party bears 50 per cent of the cost of operations. About $43,000 was expended on outfitting a laboratory and a research vessel and the annual cost was fixed at a maximum of $50,000.

Forecasts Coming Soon

Accurate information as to the salinity and temperature of the water on the banks and therefore the probable location of the greatest number of fish would be invaluable information for the fishermen and it is toward this end that the Commission is directing its efforts. Meanwhile it is suggested that, pending the time when reliable forecasts can be made, the research vessel might make a short cruise of the fishing banks before the season opens each year in order to determine at what points and at what depths cod are most plentiful.

In order to train recruits for the ranks of the "deep-sea" schoonermen, the report suggests that some form of apprenticeship might be instituted with Government assistance and organization, whereby the most suitable young men would receive a practical training with picked skippers at sea, and in the winter months carry on with navigation and general fishery studies.

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Notes on Broadcasts
and
Eight Days' Programmes
in this issue of
RADIO WEEK
Canada's National Radio Weekly

Programme notes to serve the casual and habitual listener are a valuable feature of this 5c tabloid newspaper which is published in the interests of radio fans. Programme schedules for eight days are featured.

Exclusive articles on sports are also carried. Illustrations of artists are used throughout.

Circulation is secured chiefly by news stands and boy sales; but for those radio listeners better served by the post, yearly subscriptions at $2.00 will be accepted. Use the coupon.

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Current Events in Banking World

HISTORY REVEALS EMPIRE CURRENCY NOT A NEW IDEA

Attempt by Britain Back in 1825 Was Complete Failure

The problem of an Empire currency, which will be one of the live topics at the forthcoming Imperial conference, might have been solved more than a hundred years ago if an apparently flawless scheme of the British Government to introduce British currency as an Empire medium of exchange, had not met with unlooked-for obstacles. Canada, particularly, regarded the scheme unfavorably and was the main cause of its abandonment. The story is told in a pamphlet prepared by the late Adam Shortt in 1900.

By an Order-in-Council, passed in London on March 23, 1825, British silver currency was declared legal tender in all colonies where the Spanish silver dollar, then the general medium of exchange in both South and North America, was considered legal tender for the discharge of debts and British silver to the face value of 4s. 4d. was declared equal to one Spanish dollar.

Lord Dalhousie, then Governor of Lower Canada received this Order-in-Council with orders to enforce it, but he was forced to reply to the Lords of the Treasury that the King's law officers of Lower Canada considered that the issuance of a proclamation setting forth a different sterling value for the dollar would be an infringement of an act of the Legislature of the Province which had fixed the sterling value of the dollar at 4s. 6d. The matter was therefore put aside to await the meeting of the Legislature.

Change Not Favored

At the next meeting of the Legislature it was decided that, while the house did not wish to discourage the circulation of British silver currency owing to the dearth of currency in the country, this circulation required no alteration of the existing law which provided for its circulation on a par with the Spanish dollar. Any such change in value would seriously affect rents and dues in the province which were calculated in livres and sols connected with the Spanish dollar. Another objection raised was that the large French population hoarded their savings in French silver and would not accept British silver coinage.

On account of the objections raised in Lower Canada, the Lords of the Treasury decided to take no further action in the matter until this dispute had been settled but they pointed out that the absence of British silver from the currency of Canada was due to the fact that it was undervalued as compared with the Spanish dollar and this resulted in its export.

Upper Canada, on the other hand, received the proclamation with meekness but without altering the existing currency system, with the five shilling dollar as its basis, simply raised the value of the British silver and copper coins. They made British silver unlimited legal tender at the following rates: the crown to be 5s. 9d. instead of 5s. 6d. and the shilling to 1s. 2d. instead of 1s. 1d. as before, with all higher and lower denominations in the same proportion. However, this did not lead to increased circulation as persons getting consignments of the coins simply took them to the bank, obtained their premium and used the currency given in exchange.

Many other troubles came in the way of this attempt and after a few years of uncompromising experiences it became apparent to the British Treasury that, if any real progress were to be made, it must be accomplished by changing the basis of legal tender in Canada, which meant a legislative readjustment of the currency. The Treasury then seems to have given up the struggle though the regulations were not withdrawn until 1838.

THE
ONTARIO EQUITABLE
LIFE AND ACCIDENT
INSURANCE COMPANY
Head Office — Waterloo, Ont.
Assets (Dec. 31, 1931) $ 8,125,139
Policy Reserves 6,846,054
Insurance in Force ... 51,355,672

THE
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Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

BRITISH EMPIRE ASSURANCE COMPANY
ACCIDENT · SICKNESS · BURGLARY · GUARANTEE · FIRE · MARINE · AUTOMOBILE
HEAD OFFICE · TORONTO

Fixed Service Charges On Current Accounts Favored by Banker

Would Provide Protection for Bank and Customer

NOT MANY PROTESTS

Trade Associations Fix Many Charges to Stop Needless Competition, Why Not Clearing Houses?

There is nothing to stop bank managers in any town from getting together through their local clearing house and fixing a minimum rate to be charged customers having unprofitable current or savings account, according to the assistant manager of one of Canada's largest banks. Cost accounting, as applied to banks, he said, enabled them to figure very closely the cost of doing business and it is a comparatively easy matter to calculate the cost or profit in carrying any individual account. Clearing houses, in fixing these charges, are only falling in line with trade associations which fix charges for their members to eliminate needless competition, he said.

Some time ago Vancouver and Brandon took the lead in this matter and instituted a fixed minimum rate of charges based on the number of checks issued compared with the average balance, these charges to apply to all banks in their area. In other parts of Canada the amount charged is regulated by the local manager and there is considerable variance in the method used in collecting this service charge and also in the amount charged.

Fixed Charge Protects

Introduction of a fixed minimum charge is a protection to both the public and the bank, this official stated, pointing out that it saved the public from being victimized by unscrupulous managers and protected the bank in that its action in pressing for an equitable charge could not be held against either the bank in question or the local manager. If a bank manager thought that he could do profitable business without these charges he would certainly not enter into the agreement, with the certainty that he could obtain a large amount of business of this nature if his were the only bank not enforcing a service charge.

It was pointed out by this banker that the fixed charges of Vancouver and Brandon were minimum charges and it was left open for the manager to attempt to collect a greater amount if the account in question was costing the branch more money than the amount of the fixed charge.

Few Protests

Action of the Vancouver branch of the Retail Merchants Association in protesting the Clearing House Agreement as to a fixed charge is not the general reaction to these charges, this official said, his experience being that in almost every case the customer easily understood that just as he would not sell a hat or a suit or a pound of bacon at a loss, so the bank could not be expected to do business at a loss. He illustrated his point by telling of the following incident:

Larger premises became a necessity for a bank branch in Winnipeg but there were many difficulties in the way of getting additional space so the local supervisor decided that, if possible, the bank would get rid of a lot of unprofitable business and so be able to carry on in the same premises. It was suggested to the manager that he go through his current accounts, collect all those which were being carried at a loss and advise the customers that a stiff charge would have to be made in future; the manager was also advised to go through his savings accounts and single out those in which the checking privilege was being abused and suggest to the customers that they transfer to current accounts. These instructions were carried out but it was found that almost without exception the business had been retained despite the charges. The premises had to be enlarged in face of the difficulties and have since had to be enlarged again although the system of charging on unprofitable accounts has been rigidly maintained.

C. S. V. Branch Appointed 2nd Vice-president of Sun

Sun Life Assurance Co. of Canada has announced the promotion of C. S. V. Branch to be second vice-president. Mr. Branch has spent his entire business career with the Sun Life, and has represented the company in Canada and abroad, including the management of the divisions of British Columbia, Mexico and Philadelphia.

In December, 1915, he was appointed an officer of the company with the title of assistant secretary in charge of reinsurance.

Weekly Bank Clearings

Eastern Cities	June 18, 1931	June 16, 1932
Halifax	$ 2,887,238	$ 2,147,868
Saint John	2,021,827	1,684,568
Moncton	818,827	645,231
Sherbrooke	745,145	420,112
Quebec	5,389,661	4,143,676
Ottawa	6,601,671	4,328,702
Montreal	118,259,715	72,000,086
Kingston	692,732	535,015
Peterboro'	822,210	592,188
Toronto	103,895,472	91,335,498
Brantford	1,045,143	841,919
London	3,019,616	3,064,968
Chatham	453,353	409,431
Windsor	3,500,738	2,394,018
Sarnia	561,624	393,652
Sudbury	944,126	464,976
Hamilton	5,540,949	3,987,798

Western Cities	June 18, 1931	June 16, 1932
Winnipeg	$ 35,185,742	$ 36,169,004
Brandon	397,350	348,337
Regina	3,190,963	3,410,917
Moose Jaw	732,053	445,546
Saskatoon	1,779,965	1,310,849
Prince Albert	329,029	254,903
Edmonton	5,081,861	3,290,126
Calgary	6,386,066	5,169,465
Medicine Hat	240,525	175,011
Lethbridge	459,624	302,429
New Westminster	606,647	468,308
Vancouver	14,751,515	11,306,995
Victoria	1,701,739	1,267,829
Fort William	659,999	535,124

Ponzi Persists

Editor, The Financial Post:

If any further comment may be permitted, I should like to point out the obvious fact that had the twentieth holder of the now celebrated "Ponzi" cheque kept it in circulation instead of banking it, there is no limit to the number of persons it might have benefitted, and the more who shared in the general prosperity, the greater each individual's profit when the final adjustment was made.

In other words had the cheque passed through one hundred hands instead of only twenty, only one cent of his profit would have had to be contributed by each endorser to take it up. If business can be stimulated to such an extent with a bad cheque, at least an equal amount of good can be done with one that is not bad, or with actual cash.

Therefore, the infallible prescription for bringing back at least a measure of prosperity would seem to be for each of us to circulate as many dollars as possible instead of hoarding our resources. This must surely be obvious to the least intelligent, and those whose resources are most plentiful have it in their power to take the greatest part in speeding up the recovery. So far as the "Ponzi" transaction is concerned, the principal involved has no doubt been obscured for many readers by the fact that the cheque was of the "rubber" variety.

Yours turly,
W. G. GROSS.

Gadsby, Alta.

Bank Chat

Another U. S. Bank Failure

Another savings bank has gone wrong, the Mattress Bank of Birmingham, Ala. Mrs. C. E. Pike, of Birmingham, Ala., had saved up $4,600 and kept it sewn in a mattress, but someone must have seen her making a deposit, for last week, while the family were away attending the air carnival at the local airport, someone made a run on the hiding place, and when Mrs. Pike got home her money was gone. Valuable jewellery in the house had been untouched.

Canadian Bank of Commerce announces that its Royal Ave. and Sherbrookes St. branch in Montreal was closed on June 15.

Bank of Nova Scotia announces the following staff changes:

W. H. DICKENSON, formerly manager at Kenora, Ont., has been appointed manager at Dundas and Brock, Toronto, succeeding R. M. DUFF, who has been granted indefinite leave of absence on account of ill health.

S. C. CHISHOLM, formerly manager at Spanish Town, Ja., has been appointed manager at Savanna-la-Mar, Ja.

CANADIAN BANKS CLOSE 33 BRANCHES

May Total Highest Since July, 1925 — Only Three Branches Opened

Canadian banks during May closed 33 branch offices, 29 of which were in Canada, 1 in Newfoundland, 2 in Cuba and one in Haiti. This monthly total is the largest since July, 1925, and exceeds the previous high mark of 30 closed in April. During the year to date a total of 116 branches have been closed and only 5 new offices opened.

Royal Bank closed 10 branches in May leading the other banks in this respect. Both Canadian Bank of Commerce and Banque Canadienne Nationale closed 6 branches, followed by Bank of Montreal with 5, Dominion and Toronto with 2 each and Provinciale and Nova Scotia with one each.

Of the May total, 10 branches were located in the Prairie Provinces, seven each in Quebec and Ontario and 5 in British Columbia. During the first five months of the year branches have been closed as follows: Prairies, 44; Quebec, 30; Ontario, 22; British Columbia, 12; Maritimes, 1; and Outside, 7.

Three branches were opened during the month, all in Ontario, one each by the Royal, Imperial and Dominion.

Open Turkish Bank in Germany

For the first time in history a Turkish bank will open in Germany. The bank will be located in Hamburg under the direction of Sadullah Bey, former owner of the Riza Frucht Co. of Hamburg. It is expected that the bank will assist in developing German exports to the Near East.

QUEBEC ASSUMES NEW LEGAL SWAY OVER INSURANCE

Provisions of Newly-Proclaimed Law Outlined by Superintendent

Details of the new Quebec insurance law, which has now been brought into effect by order-in-council, were given before the annual meeting of the Insurance Brokers' Association of Quebec by B. Arthur Dugal, superintendent of insurance for the province, recently.

For the most part his remarks outlined the new provisions as they affect the registration and licensing of companies. One new clause of interest to agents is an amendment whereby an agent's license will be revoked for two years for failure to collect premiums. This is an attempt to curb the credit evil which is a continual cause of friction, particularly at the present time.

His remarks in part were as follows:

"Will the new law come into conflict with the new laws sanctioned by the Parliament of Canada? I cannot say, the answer is left to the legislators, courts of justice and disciples of Themis. Nevertheless, I can say that the act is based on the final judgment rendered by the highest tribunal of the British Empire that we feel strong relying on the rights the judgment gives us; that we affirm those rights, and at the same time the new law is wise, its dispositions provides that the ones it concerns will not suffer unnecessarily by this conflict in insurance jurisdiction. Our pretention was that the B. N. A. Act gave the provinces this jurisdiction; we proved so by the memoirs of deliberations of the Fathers of Confederation; the Privy Council sustained our pretention; are we to be blamed? At the same time, the new law legalizes the status of companies in this province, which had become invalid on October 22 last.

"Under the new act companies are classed in five categories: British, foreign, Canadian, provincial and extra provincial. Provincial and extra provincial companies remain as they were, nothing is changed for them, only British, foreign and Canadian companies, which in the past were registering with us a license issued by Ottawa, are affected.

Issue Licenses Direct

"We will not any longer register licenses issued in their favor by Ottawa; we will issue directly from Quebec, provincial licenses, under certain conditions and subject to payment of the required fees, then the inscription of licenses so granted will be entered in the registers of the department free of charge. Provincial authority given to the companies empowering them to transact business in the province which matured on March 31 last, is ipso facto extended to June 30, 1932, on the condition that the fees covering the period from April 1, 1932, to June 30, 1933, inclusive, are paid on or before the last day of this present month of June. This is an essential condition to the legalization of the companies status and I call their special attention to it. Companies will receive in a few days, invoices to that effect.

"License forms of demand will be sent to companies as soon as received from the printing office with full information as to the conditions under which the license will be granted and enumerating all documents that must accompany the demand. License certificates will be issued in the same order as the demands will be received and as fast as possible during July. Companies do not need to be nervous, if it takes a little longer than they think it should; on paying the fees, they will receive a receipt, it will constitute a proof that their status is fully legal and provincial authority to transact business, until the license certificate is received.

Flexible Deposit Provision

"Deposits to be made by provincial and extra provincial companies in Quebec are the same as the ones enacted by the old law, as to the minimum and maximum. The ones to be made by British, foreign and Canadian companies will be fixed by the Lieutenant-Governor in Council on the recommendation of the Superintendent of Insurance. Nevertheless, the Lieutenant-Governor in Council can exempt a company from the obligation of making such deposit, reduce the amount or grant a delay to make it, if it has made one and maintains same in Ottawa before the date on which the new act was proclaimed and if it is considered sufficient to cover and applicable to, its liabilities including the ones in this province, or for any other reason whatsoever. But, from the date on which the new law was proclaimed, companies applying for license will have to make the deposit in the manner and place as decided upon, by the Lieutenant-Governor in Council.

"The companies will have to keep in this province such classification of their contracts in force, registers and books of their business as may be prescribed by the provincial treasurer. He can appoint a competent accountant at the cost of the company to audit the books, if he thinks it necessary. The inspectors of the department, under the direction of the superintendent, will have access to the books, files and documents of the company at any time. Companies will report to the department on dates and in the forms prescribed by the department.

"In the division of the act concerning agents, only section 137 was amended. It reads as follows: 'An agent's license shall be revoked by the Superintendent of Insurance, if, after due investigation by himself, or by any person authorized for the purpose by the Provincial Treasurer, the superintendent determines that such agent has violated any of the provisions of this act, or that he has not paid at the time fixed or on demand, to the insurer or his representative, the premiums he collected for the insurer, or that he has been guilty of the commission of a criminal offence legally proved and followed by a final condemnation of a court of competent jurisdiction, and no persons whose license is so revoked shall be entitled to a license under this division for two years after such revocation.'

Insurance for Buyer and Seller

NEW RULE BOOK IS INTRODUCED BY NORTHERN LIFE

Includes Many New Policies — Underwriting Changes Announced

By Staff Editor

LONDON.—Northern Life Assurance Co. have issued a completely revised rate book effective July 1.

The new manual contains a number of new types of policies notable among which is a new Super Service series designed to give maximum protection at a guaranteed low cost with the opportunity of sharing annually in profits after the first 10 years. This series is issued on five different plans—ordinary, twenty-pay, twenty-year endowment, 30-year endowment and endowment at age 65. At age 35 the annual premium on an ordinary life plan is $21.10 with cash values at the end of the tenth year of $116 and at the end of the 20th year of $306.

Concentrate in Ontario

Under the management of G. W. Geddes, formerly actuary of the Ontario Equitable Life, the company plans to concentrate its activities in Ontario and particularly western and central Ontario. Agencies will be maintained, however, through the West and the Maritimes. Not so much emphasis will be put on the company's "coupon savings" series in view of the drain on surplus which this type of policy necessitated during the first few years the policies was in force.

All the company's branch managers will have their contracts changed to general agents, The Financial Post is informed.

BRITISH PHOENIX CELEBRATES 150TH ANNUAL MEETING

Total assets of £34,384,000 are shown in the 150th annual report of Phoenix Assurance Co. presented to shareholders on May 31 last, in London, Eng. All branches of the company's business reported a profit for the year.

In the company's fire department net premiums of £3,085,536 were reported, claims paid and outstanding being 49.8 per cent of premiums and expenses totalling 47.4 per cent. A profit of £88,457 was transferred to profit and loss account.

Marine department reported net premiums of £709,444. Claims settled in 1931 were £178,336 and expenses £136,661. Final 1929 underwriting results was found to have netted a profit thus enabling £20,000 to be transferred to profit and loss—the first profit in seven years.

Accident Premium Lower

Net premiums in accident branch were £3,673,000, a decline of £120,000 from 1930. Net claims were 56.9 per cent and commissions and expenses, 41.4 per cent. After adjusting reserves a profit of £110,455 was transferred to profit and loss. During the year 4,059 life policies were issued by the company assuring £3,195,756. Life funds now amount to £15,615,279. Balance in profit and loss account at the end of 1931 totalled £1,421,189 as compared with £1,045,248 at the end of the previous year.

Referring to the "unassailable strength" of the company's investment position, the chairman pointed out that although Canadian and United States legislation permitted them to use "average" valuations for their securities, it had not been deemed wise to take advantage of this allowance and accordingly all securities had been taken in at December 31 1931, valuations. No allowance was made for the conversion of dollar holdings into sterling currency.

To meet this drastic basis of valuation the company appropriated £1,500,000 from "additional" reserve and £500,000 from investment and contingent reserve, which sums are in excess of any depreciation in quoted values of securities, leaving the company with general reserve of £2,500,000 untouched and with "an inner reserve of substantial amount."

The Phoenix was the first British company to be established in Canada having commenced business here in 1804—128 years ago. The company's manager for Canada is J. B. Paterson. George Weir is casualty manager.

Ordinary Life Insurance*

	1927	1928	1929	1930	1931	1932
January	$36,986,000	$47,569,000	$49,739,000	$45,074,000	$41,188,000	$37,331,000
February	35,525,000	39,962,000	47,140,000	43,925,000	40,180,000	38,145,000
March	42,883,000	44,823,000	48,066,000	49,047,000	46,945,000	37,467,000
April	41,631,000	46,718,000	51,842,000	51,649,000	45,648,000	33,629,000
May	44,553,000	49,581,000	50,547,000	48,871,000	41,314,000	30,998,000
June	45,298,000	51,884,000	53,402,000	54,168,000	46,227,000	....
July	39,962,000	49,492,000	54,809,000	46,505,000	39,977,000	....
August	38,360,000	43,503,000	41,329,000	36,249,000	35,738,000	....
Sept.	35,000,000	38,872,000	43,013,000	38,994,000	30,066,000	....
October	48,104,000	55,743,000	50,894,000	44,527,000	36,006,000	....
Nov.	44,935,000	54,865,000	55,624,000	46,186,000	38,860,000	....
Dec.	48,899,000	56,647,000	54,189,000	49,026,000	47,163,000	....

Total first 5 months, 1932 .... $177,570,000
Total, first 5 months, 1931 .... $215,275,000

Decrease, first 5 months, 18.4% .... $ 39,705,000
Decrease, May, 1932 from May, 1931, 25.0% .... $ 10,316,000

*Companies having in force 84 per cent of total outstanding business in Canada as at Jan. 1, 1931. New paid for, ordinary business only. Figures include both Canada and Newfoundland and are prepared by Life Insurance Sales Research Bureau, Hartford, Connecticut.

Modified Plan For Disability In Force July 1

Six leading Canadian companies will inaugurate their new modified disability benefits plan on July 1. The companies attempting this new departure are: North American, Confederation, Montreal, London, Crown and Dominion.

Confederation Life has prepared the following example based on a $1,000 life policy which indicates just what is being offered by these companies. The details are as follows:

In the event of total disability before the insured reaches age 55 (males), age 50 (females), the following benefits will be payable, after six months' continuous total disability and as long as such disability lasts. (See limits below).

1. $10 per month for 50 months;
2. $5 per month for the next 100 months;
3. $1,000 in cash at end of 151st month;
4. Waiver of all premiums falling due during the period of disability payments;
5. Payment of claim if death should occur during 150-month period. All guaranteed values, dividends, etc., will be unaffected in any way by the payment of the monthly income during disability.

The clause will be modified to meet the case of term insurance and pension bond contracts.

The total disability benefit is designed to insure nothing but the average earned income of a policyholder. The following underwriting rules apply:

1. Medical examination for all policies including this benefit.
2. Only issued to females who are wage-earners, outside their own homes, at twice the male rate;
3. Not issued to unskilled laborers or laborers in heavy trades; (See booklet for other occupations requiring careful selection in case of application for monthly income disability benefit).
4. Limits—

Males: Coverage, both income and waiver, in all companies, must not exceed 50 per cent of the average earned income during the past three years.

No monthly income disability benefit will be issued for more than $500 (including coverage in all companies).

Females: Same as above, but reduced to 25 per cent of earned income, with coverage (in all companies) not exceeding $100.

INSURANCE SALES REMAIN LOW IN MAY

Sales Bureau Reports Sales of Ordinary Life as $30,998,000

May sales of new paid-for ordinary life insurance in Canada and Newfoundland by fifteen companies having in force 84 per cent of the business done in the Dominion, totalled $30,998,000 as compared with $41,314,000 in May, 1931, a decrease of 25 per cent, according to returns published by Life Insurance Sales Research Bureau of Hartford, Conn.

The May figure is the smallest for that month since May, 1923, and the total for the five months period is the smallest since 1925. The total for the five months ended May, 1932 is 18.4 per cent less than the total for the first five months of the previous year.

Sales by provinces for the month of May were as follows:

	May, 1932 $	May, 1931 $
Alberta	1,407,000	2,044,000
Br. Columbia	1,978,000	2,797,000
Manitoba	1,787,000	2,458,000
New Brunswick	836,000	956,000
Nova Scotia	982,000	1,603,000
Ontario	18,660,000	17,326,000
Pr. Edw. Island	121,000	151,000
Quebec	8,918,000	11,488,000
Saskatchewan	1,145,000	2,165,000
Newfoundland	219,000	331,000

Confederation Life Business

New business of the Confederation Life for May totalled $4,015,938 of which $3,093,766 was ordinary and the remainder group. Total new business to date this year amounts to $18,144,000 and total business in force at May 31, to $381,665.

ROYAL INSURANCE IN STRONG POSITION

Underwriting Profit $3,225,000 and Reserves Well Maintained

An increase in assets from $250,481,690 to $254,291,650 is shown in the annual report of Royal Insurance Co. for the year ending Dec. 31, 1931. Royal is one of the few insurance institutions which is able to report that "taking Stock Exchange securities at or below mean quotations at Dec. 31, (less accrued interest and dividends) the value of assets in the aggregate is in excess of the amount stated in the balance sheet."

Net premium income for the year totalled $73,752,000 divided as follows: fire—$30,313,500; life—$11,076,000; accident and general—$27,217,600; and marine—$5,145,000. Underwriting profits for fire marine and accident and general groups aggregated $3,224,600.

Funds Now $212,000,000

Funds of the company now stand at $211,943,695 (of which $118,511,570 are life department funds) as against $209,982,765 at the end of 1930. Apart from the resources of the life department, funds standing against the premium income of the fire, accident and general and marine departments amount to $93,432,125. The company therefore has in hand the equivalent of 150 per cent of the year's premium revenue in those three departments.

Additional, or "free," reserves carried in the various accounts over and above the customary provision for outstanding claims and unearned premiums, amount to $43,011,000, distributed as follows: fire, $22,500,000; accident and general, $15,011,070; marine, $5,500,000. In addition profit and loss account shows a balance carried forward of $6,995,630.

Royal Insurance Co. is under the management of J. H. Labelle and the group includes Queen, Newark, Hudson Bay and pioneer companies.

Suicide Toll is Lower in Last Quarter of 1931

Suicides showed a small decline in Canada in the last quarter of 1931, according to preliminary official figures issued this week by the Dominion Bureau of Statistics.

For the last three months of the year only 234 met death in Canada in this manner as against 247 in the same period 1930. The total death rate for the quarter was slightly lower at 25,214 giving a rate of 9.7 as compared with 26,366 and a rate of 10.3 for the corresponding quarter of 1930. Homicides numbered 38 as compared with 57 in the last quarter of 1931 and automobile accidents took a toll of 385 as compared with 373 a year ago. Deaths from other violent means were lower at 973 as compared with 1,052

Insurance Inklings

Imperial Life Assurance Co. of Canada announces the following staff changes:

W. A. PEARCE, formerly manager of Toronto branch retired from that position on June 1. He will continue to represent the company as a personal producer.

R. G. MINNS, formerly assistant manager of Toronto branch retired on June 1 but will continue to act as special representative for the company.

J. B. COOKE, formerly district manager at Kingston, Ont., has retired. Mr. Cooke was the oldest representative of the company in point of years of service.

C. E. STUART, of Orillia, Ont., has been appointed branch manager at Kingston, Ont.

D. W. MOORE, formerly manager of Northwestern Ontario branch has resigned from that position to come to Toronto to write personal business.

W. B. HURRELL has been appointed district manager at Port Arthur to succeed Mr. Moore.

R. W. McCLUNG, formerly district manager of the Manufacturers' Life Insurance Co., at Calgary, has been transferred to Victoria, B.C.

RUSSELL G. GORDON has rejoined the Crown Life Insurance Co. as district manager at Owen Sound, Ont.

Priceless Benefits
Without Extra Premium

Every Sun Life Policy carries with it many advantages not enumerated in the contract.
The delivery of your policy will bring you these priceless though intangible possessions.
It will establish the fact that you are PHYSICALLY FIT.
It will start you on the road to that most desirable of goals—ECONOMIC FREEDOM.
It will remove, or at least minimize, your anxiety as to the future, thus bringing you PEACE OF MIND.
Your nearest Sun Life Representative will gladly advise you as to the policy best suited to your individual requirements.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE—MONTREAL

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $200,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

THE CANADA NATIONAL FIRE
INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

NORTHWESTERN MUTUAL
FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA: HAMILTON, ONTARIO
Writing Fire and Automobile Insurance at Cost
Assets $4,616,449.70
ALL POLICIES NON-ASSESSABLE
Paying Dividends ranging from 25% to 40%
BRANCH OFFICES:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, Saint John, Halifax and Charlottetown

Premiums Written in 1931 $696,250.61
Losses Paid in 1931 $223,485.46
Est. 1884 PORTAGE MUTUAL INSURANCE CO. MUTUAL SERVICE WITH SECURITY
Surplus Cash Assets $639,023
Total Assets $1,625,156
Lines covered include Fire, Automobile, Plate Glass, Burglary, Windstorm and Sprinkler Leakage. Operating under Dominion Insurance Act, subject to annual Dominion Government Inspection.
THE
PORTAGE LA PRAIRIE
Insurance MUTUAL Company
Portage la Prairie Toronto Montreal Edmonton Vancouver 123

a cigarette
that is better
PHILIP MORRIS & CO. LTD
BY SPECIAL APPOINTMENT
"VIRGINIA OVALS"
A CIGARETTE, BLENDED FROM THE
FINEST TYPES OF VIRGINIA LEAF.
FOR THOSE WHO PREFER THE BEST
NVI

$55,000
paid out every working day during 1931 to our policyholders and their beneficiaries.
THE GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE --- WINNIPEG

A. J. Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
Royal Bank Bldg. (Third Floor) Toronto, 2 Elgin 5101 10 Lines

A Few Copies Left

Canadian Stock Market Leaders of Tomorrow

Canadian Stock Market Leaders of To-morrow

Without prejudice and without any claim to prophetic vision, The Financial Post a few months ago published a series of articles on good Canadian stocks that seemed to meet the most obvious tests that needed to be applied to good securities. These articles were reprinted in booklet form. A few copies of this booklet (48 pages and cover) are available at **25c**

THE FINANCIAL POST,
153 University Ave., Toronto

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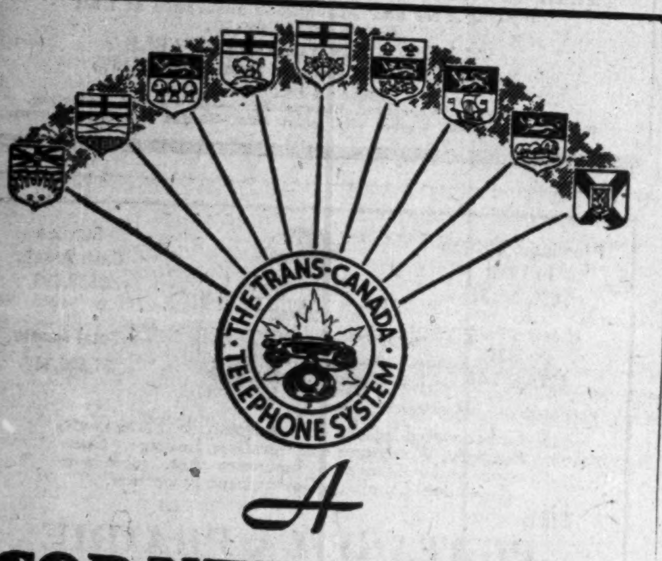


A

CORNER STONE OF CANADIAN UNITY

In January of this year The Trans-Canada Telephone System was completed. For the first time in history, direct, all-Canada telephone circuits extend from Atlantic to Pacific, binding East and West more closely together, giving inter-provincial trade and national progress the greatest impetus in years.

Whether you use long distance for business, for social calls or for communicating with your people. The Trans-Canada Telephone System offers you the facilities of instantaneous communication from coast to coast and between all intermediate points. Low rates make calls inexpensive. Incessant vigilance by seven systems over every mile of wire ensures you uninterrupted service.

Now is your opportunity to use long distance more and more in developing your business, in preserving friendly relations, in keeping touch with associates in any part of the Dominion.

VANCOUVER
To Regina - - $3.25
" Winnipeg - 4.50
" Toronto - - 7.75

CALGARY
To Winnipeg $3.00
" Toronto - - 6.25
" Montreal - 7.00

REGINA
To Vancouver $3.95
" Montreal - - 5.50
" Saint John - 6.75

WINNIPEG
To Vancouver $4.50
" Calgary - - 3.00
" Saint John - 5.50

TORONTO
To Calgary - $6.25
" Regina - - - 4.75
" Halifax - - - 3.50

MONTREAL
To Vancouver $8.25
" Regina - - - 5.50
" Halifax - - - 2.40

SAINT JOHN
To Calgary - $8.00
" Regina - - - 6.75
" Winnipeg 5.50

HALIFAX
To Vancouver $10
" Toronto - 3.50
" Winnipeg 6.25

● Day rates as quoted apply on "anyone" calls from 4.30 a.m. to 7 p.m. Lower rates apply after 7 p.m.

The **TRANS CANADA TELEPHONE SYSTEM**

Alberta Government Telephones
Bell Telephone Company of Canada
British Columbia Telephone Co.
Manitoba Telephone System
Maritime Telegraph & Telephone Co.
New Brunswick Telephone Co.
Saskatchewan Government Telephones
3219

IN THE TWINKLING OF AN EYE!

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING JUNE 20

Range 1932 High	Low	Divd. Rate in $	Yield in % June 18		Sales	Close June 18 (or last)	Week Ending —June 20— High	Low	Close
3.25	.60	•	...	Abitibi	210	.87	1.00	.75	.75
10	2	•	...	Do. pref.	115	2½	2½	2	2½
x105	80	•	...	Do. pref.	....	..	..	..	..
80	80	7	...	Acme F. D'y. p	....	80	..	..	..
5	4½	•	...	Agnew Surp.	....	5	..	..	..
70	70	7	10	Do. pref.	....	70	..	..	..
7	3½	•	...	Alta. Pac. Gr.	....	3½	..	..	..
25	19	•	...	Do. pref.	....	20	..	..	..
3½	1½	•	...	Amal. Electric.	....	1½	..	..	..
11	9	•	...	Do. pref.	100	10½	10½	10½	10½
x3½	2½	•	...	Anglo. N. Hold.	....	..	..	..	..
.37	.15	•	...	Asbestos	....	.15	..	..	..
1.00	.60	•	...	Do. pref.	....	.60	..	..	..
6	4½	60c	13.3	Assoc. Brew.	10	4½	4½	4½	4½
70	65	7	10.2	Do. pref.	....	68½	..	..	..
3	3	•	...	Assoc. Can.	....	3	..	..	..
x69	65	4	...	Assoc. Tele.	....	..	..	..	..
29½	16	•	...	Atlan. Sugar	86	28½	29½	25	25
120	92	•	...	Do. pref.	10	120	120	120	120
159½	128½	10	7.7	Bk. Can. Nat.	61	129	130	128½	130
225	150	12	7.9	Bk. Montreal	240	151	152	150	151
274	238	16	6.6	Bk. N. Scotia	15	248	[illegible]	[illegible]	[illegible]

Range 1932 High	Low	Divd. Rate in $	Yield in % June 18		Sales	Close June 13 (or last)	Week Ending —June 20— High	Low	Close
6	6	•	...	Int. Hyd. E. A.	....	6	..	..	..
97	90	7	7.8	Inter. Mill., pf.	520	90	90	90	90
77	77	6	7.8	Do. Series A.	200	77	77	77	77
11	4	•	...	Inter. Nickel	9029	4½	5½	4½	5
4	4	•	...	Inter. Paints	....	4	..	..	..
b2½	½	•	...	Int. Pa & Pr A	....	½	..	..	..
b1	1	•	...	Do. (B)	....	1	..	..	..
b½	½	•	...	Do. (C)	....	½	..	..	..
b11	2½	•	...	Do. pref.	....	2½	..	..	..
11½	9½	1	10	Inter. Pete.	3190	9½	11	9½	10
x8	5	•	...	Inter. Power	....	..	..	..	..
x78	56½	•	...	Do. pref.	....	..	..	..	..
9½	2	•	...	Int. Util. (A)	....	3	..	..	..
3	½	•	...	Do. (B)	25	1	½	½	½
x40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
x109	99½	7	...	Do. pref.	....	..	..	..	..
4	3½	•	...	Kelvinator	45	4	3½	3½	3½
90	60	7	11.7	Do. pref.	....	60	..	..	..
7	4	•	...	Lake of Woods	5	4	4	4	4
x101	82	•	...	Do. pref.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]			Viau Biscuit	....	6	..	..	..
75	60	7	11.7	Do. pref.	....	60	..	..	..
12	7	•	...	Wabasso Cot.	....	7	..	..	..
5½	2½	•	...	Walker-Good.	6124	4½	5½	4½	4½
12	9	1	10.5	Do. pref.	3369	9½	9½	9½	9½
3½	1½	•	...	Waterloo Mfg.	....	2	..	..	..
80	75	7	9	W. Koot. Pr. p	....	80	..	..	..
8	5½	•	...	West. C. Flour	10	6	5½	5½	5½
x96	70	6.50	..	Do. pref.	....	..	..	..	..
11	10	•	...	West. Grocers.	....	11	..	..	..
54	48	7	15.5	Do. pref.	5	54	45	45	45
x91	85	•	...	W. Steel Pr. p	....	..	..	..	..
18½	16½	1	5.9	Weston Bisc.	....	16½	..	..	..
70	65	7	10.4	Do. pref.	10	67	67	67	67
10	10	•	...	Windsor Hotel	....	10	..	..	..
38	38	3.25	8.5	Do. pref.	....	38	..	..	..
8	2	•	...	Winnipeg Elec.	411	2½	3½	3½	3½
14	14	•	...	Do. pref.	....	14	..	..	..
x46	36	•	...	Woods Mfg. p.	....	..	..	..	..

x Quotations for 1931. No sales recorded in 1932 to date.
b New York Quotations.
‡ Quotations for 1930.
§ 2% stock dividend paid June 1; 25c cash paid Mar. 1, 1932.
* Minimum price is set, below which trading is not permitted for time being. List of minimum prices is given elsewhere.

Winnipeg Stock Exchange

June 17, 1932

	Bid	Ask		Bid	Ask
Beaver Fire	..	115	Monarch Life	..	22
Beaver Lumb. pfd.	..	80	N. Can. Mtge. pfd.	..	15
Can. Amer. Tr. shs.	..	2¼	North. Trust	..	24
City Dairy (Wpg.) pref. 7%	..	55	Un. Gr. Growers	10½	..
Do., pref. 8%	..	80	Reliance Gr. pf.	..	50
Corp. Steel c.	..	.5	West. Breweries	1	2
Cres.-Cream. pfd.	..	65	Fund. Tr. shs. "A"	..	2
			Do., "B"	..	2⅛
			Grouped Inc. Shs.	..	2.76

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers—Toronto
June 21, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.70	....
Acadia Sugar pfd.	2.75	....
Acme Farmers Dairy pfd.	60.00	70.00
Agnew Surpass pf.	50.50	57.50
Allens. Lond. pfd.	30.00	....
Andian Nat. Corp.	18.00	21.00
B.C. Pulp & Paper c.	....	2.50
B.C. Pulp & Paper 7% pfd.	....	10.00
Can. & Dom. Sugar c.	17.00	18.00
Can. Mach. c.	2.25	4.50
Can. Mach. 7% pf.	20.00	26.00
Can. Pack. c.	7.00	8.00
Can. Packers 7% pfd.	48.00	50.00
Can. Starch pfd.	63.00	67.00
Can. Tea pfd.	....	54.00
Can. Wire & Cable pfd. W.W.	69.00	71.50
Can. Celanese pf.	....	44.75
Can. Indust. c. 'A'	40.00	44.00
Can. Indust. c. 'B'	40.00	44.00
Can. Indust. 7% pfd.	97.00	98.25
Can. Westing.	34.00	38.00
Chase, A. W. Units	29.50	31.50
Claude Neon Gen. Adv. c.	2.50	3.25
Claude Neon Gen. Adv. Units	20.00	25.00
Crescent Creameries pfd.	60.00	65.00
Dodge Mfg. "B" c.	1.10	....
Dodge Mfg. "A" pfd.	5.00	....
Dom. Foundries & Steel c.	5.00	7.00
Dom. Foundries & Steel pfd.	64.00	....
Dom. Mfrs. pfd.	65.00	70.00
Dom. Tar pfd.	....	39.00
Dunlop Tire 7% pfd.	38.00	40.00
Eastern Car 6% pfd.	39.50	....
Eastern Dairy pf.	65.00	66.00
Fed. Grain pfd.	19.50	22.00
Goderich Elevator & Transit	11.75	12.75
Greening Wire 7% pfd.	68.00	73.00
Guard. Realty pf.	....	30.00
Guelph Carpet c.	5.00	....
Guelph Carpet pf.	70.00	75.00
Harding Carp. pf.	....	48.00
Inter City Bak. c.	38.00	44.00
Inter. Proprietaries "A"	19.00	20.50
Langleys pfd.	....	50.00
Loew's Lond. c.	....	1.50
Loew's Lond. pfd.	3.25	4.00
Massey Harris pf.	8.00	9.00
Morrow Screw Nut 7% pfd.	93.00	98.00
Mt. Royal Htl. c.	.50	1.00
Mt. Royal Htl. 6% pfd.	7.00	9.00
Nat. Grocers c.	1.00	1.50
Nat. Grocers 2nd pfd.	....	28.00
Price Bros. c.	4.00	....
Prov. Paper pfd.	....	40.00
Reliance Grain pf.	46.00	49.00
Rolland Paper pfd. W.W.	30.00	35.00
Standard Clay Products c.	18.00	23.00
Standard Fuel pfd. bonus	50.00	52.50
Supertest Petroleum "B" pfd.	16.00	20.00
Toronto Brick pf.	....	40.00
Toronto Carpet c.	....	97.00
Toronto Carpet 8% pfd.	70.00	90.00
Toronto Elevators 7% pfd.	64.00	66.00
Toronto Hous. c.	20.00	30.00
Un. Amuse. "A"	16.50	19.00
Western Grain pfd. bonus c.	10.00	14.00
Willards Choc. pf.	....	27.00

Insurance Stocks:	Bid	Asked
Canada Life Ass.	....	400.00
Canada Nat. Fire	14.00	16.75
Can. Fire Ins.	67.50	74.00
Capital Life 20% pd.	10.00	17.00
Confederation Life 20% pd.	130.00	148.00
Continental Life 20% pd.	50.00	55.00
Crown Life Ins.	100.00	....
Dominion Fire	85.00	95.00
Dom. Life 50% pd.	280.00	310.00
Dom. of Can. Gen. Ins.	....	150.00
Excelsior Life 30% pd.	75.00	80.00
Fidelity Ins. of Canada	....	68.00
Gt. West Life	190.00	210.00
Guarantee Co. of N. A.	200.00	270.00
Halifax Fire	6.50	9.50
Imperial Life	280.00	305.00
Mfrs. Life	....	240.00
Monarch Life 10% pd.	15.00	19.00
Nat. Life 25% pd.	....	85.00
Saskatchewan Life 10% pd.	....	15.00
Sovereign Life 25% pd.	14.00	19.00
Sun Life Assur.	160.00	180.00
Western Assur. c.	13.50	17.50
Western Life 20% pd.	7.00	12.00
Trust & Loan Stocks:		
Br. Mtg. & Trust	130.00	170.00
Can. Gen. Investments Ltd.	1.75	2.75
Chartered Trust	65.00	74.00
Deb. & Sec. c.	....	25.00
Deb. & Sec. pfd.	....	36.00
Eastern Can. Sav. & Loan	115.00	130.00
Eastern Trust	140.00	153.00
Guelph & Ont. Inv. par $50	48.00	54.00
Investment Foundation Units	18.00	20.00
Lambton Loan & Savings	55.00	65.00
London & Western Trust	85.00	90.50
Midland Loan & Savings	15.00	....
Mtge. Discount pf.	2.00	3.00
Mutual Fin. pfd.	....	3.00
Mutual Fin. c.	....	3.00
Northern Trust	....	23.00
Premier Trust	80.00	85.00
Provincial Bank	95.00	102.00
Security Loan & Savings	93.00	100.00
Sherbrooke Trust	90.00	107.00
Sterling Trust	....	70.00
Traders Fin. c.	....	3.00
Traders Fin. pfd.	20.00	25.00
Trusts & Guar.	45.00	50.00
Victoria Trust & Savings	170.00	....
Waterloo Trust & Savings	100.00	110.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	80.00	83.00
Calgary Pwr. pfd.	53.50	56.00
Can. Light & Pwr. c.	12.00	18.00
Can. West. Nat. Gas LH&P c.	18.50	24.00
Can. West. Nat. Gas LH&P pfd.	58.00	61.00
Gt. Lakes Pwr. pf.	....	67.50
N.B. Pwr. 1st pfd.	....	50.00
N.B. Telephone c.	5.50	8.00
N.S. L&P pfd.	....	60.00
Recent London Quotations:		
Brewer Distillers		9d.
Can. & For. Sec.		3s. 9d.
Can. West. Lumber		9d.
Hudson's Bay		13s. 9d.
Do., 5%		57s. 6d.
Internat. Holdings		3½
Nld. Pr. & Pap. deb. stock "B"		85
Trust & Loan of Can.		1s. 9d.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
June 21, 1932

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	16.50	20.00
Acadia Sugar 6% 1946	69.50	72.00
Alta. Pac. Grain 6% 1946	69.00	73.00
B. A. Oil 5% 1945	83.00	88.00
Brandram-Henderson 6% 1939	....	58.00
Canada Biscuit 6½% 1946	16.00	20.00
Canada Bread 6% 1941	....	86.00
Canada Cement 5½% 1947	67.00	70.00
Can. Crushed Stone 6½% 1944	64.00	69.00
Can. Machinery 6% 1941	52.00	....
Can. Steamship 6% 1941	20.00	23.00
Can. Copper Refin. 6% 1945	86.00	90.00
Can. Vickers 6% 1947	62.00	64.50
Davies, Wm., 6% 1942	74.50	76.50
Dom. Manufacturers 6% 1933	95.00	....
Dom. Tar & Chemical 6% 1949	56.00	60.00
Famous Players 6% 1948	....	65.00
Famous Players 6½% 1948	....	58.00
Federal Grain 6% 1949	65.00	70.00
Firestone Tire 7% 1937	108.00	....
Goodyear Cotton 6% 1949	90.00	94.00
Great Lakes Paper 6% 1950	11.50	13.50
Gypsum, Lime & Alab. 5½% 1948	....	46.00
Howard Smith 5½% 1953	43.00	47.00
Inter City Baking 5½% 1948	63.00	70.00
Loew's Toronto 6% (Serial)	97.00	101.00
Maple Leaf Milling 5½% 1949	....	61.00
Massey Harris 5% 1947	56.50	59.50
Montreal Coke & Mfg. 5½% 1947	85.00	90.00
Montreal Drydock 6% 1948	46.00	50.00
Ont. Steel Products 6% 1943	89.00	92.00
Richmond Bay 6½% 1947	55.00	63.00
Rowntree Co. Ltd. 6% 1937	95.00	100.00
Simpsons Ltd. 5½% 1949	52.00	....
Simpsons Ltd., 6% 1949	58.00	61.00
Standard Clay Prod. 6% 1942	72.00	....
Steel of Canada 6% 1940	100.00	103.00
United Grain Growers 5/48	67.00	69.00
Western Grain 6% 1949	57.00	60.00
Public Utility Bonds:		
Bell Telephone 5% 1957	100.00	....
B. C. Power 5% 1960	66.00	70.00
B. C. Power 5½% 1960	72.50	75.50
B. C. Telephone 5% 1960	80.50	84.50
Can. Northern Pwr. 5% 1953	63.50	65.50
Cedars Rapids 5% 1953	98.00	102.00
Duke-Price Power 6% 1966	45.00	50.00
Elect. Develop. 5% 1933	110.00	....
Gatineau Pwr. 5% 1956	63.50	67.50
Gatineau Pwr. 6% 1941 Apr. 1	45.00	48.00
Maclaren Quebec 5½% 1961	56.50	59.50
Montreal Isl. Pwr. 5½% 1957	78.00	83.00
Montreal LH&P 5% 1951	96.50	100.00
Montreal LH&P 5% 1970	96.50	100.00
Montreal Tram. 5% 1941 July	89.50	92.00
Montreal Tram. 5% 1955	70.00	73.00
Ont. Pwr. Service 5½% 1950	35.00	39.00
Ottawa Valley Pwr. 5½% 1970	80.00	84.00
Quebec Power 5% 1968	....	80.00
Rio Tramways 5% 1935	76.50	79.50
Shawinigan W&P 4½% 1970	63.00	67.00
Shawinigan W&P 5% 1970	71.00	75.50
Southern Can. Pwr. 5% 1955	77.00	84.00
West Kootenay Pwr. 5% 1956	66.00	70.00
Western Power 5% 1949	80.00	84.00
Government Provincial & Railway:		
C. N. R. 4½% 1951 Dom. Gtd.	87.00	88.50
C. N. R. 4½% 1957 Dom. Gtd.	86.25	87.75
C. N. R. 5% 1969 Dom. Gtd.	94.00	95.50
C. P. R. 5% 1954	76.00	....
Dom. of Can. 5% 1936	97.25	98.25
Dom. of Can. 5% 1941	96.25	97.25
G. T. P. 3% 1962 Dom. Gtd.	66.00	67.00
Prov. of N. S. 5% 1959	91.50	93.50
Prov. on Ontario 5% 1948	92.25	93.75
Prov. of Ontario 5½% 1947	97.00	98.25

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co. Limited
Canada Permanent Bldg., Toronto, Ontario
June 21, 1932

Provinces:	Rate	Actual Maturity	Next Int. Date	Approx. Price	Approx. Yield %
*Alberta	4½	1 Oct., 1958	1 Oct.	78.00	6.20
Alberta	5	1 July, 1943	1 July	89.10	6.35
Alberta	6	1 Apr., 1936	1 Oct.	96.00	7.15
*British Columbia	4½	1 Oct., 1953	1 Oct.	82.00	6.00
*British Columbia	5	15 Jan., 1948	15 July	89.80	6.00
British Columbia	6	15 Aug., 1941	15 Aug.	96.50	6.52
Manitoba	4	1 July, 1947	1 July	75.80	6.50
*Manitoba	5	2 Dec., 1959	2 Dec.	85.00	6.15
Manitoba	5	15 June, 1943	15 Dec.	88.00	6.50
*New Brunswick	4	1 June, 1948	1 Dec.	84.65	5.50
*New Brunswick	4½	15 June, 1936	15 Dec.	97.05	5.50
New Brunswick	6	1 Jan., 1936	1 July	100.50	5.85
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	89.25	5.50
Nova Scotia	5	1 May, 1943	1 Nov.	93.95	5.75
*Nova Scotia	6	1 Nov., 1936	1 Nov.	101.55	5.60
*Ontario	4½	1 Sep., 1944	1 Sept.	93.00	5.25
Ontario	5	15 Oct., 1948	15 Oct.	94.00	5.55
Ontario	6	2 May, 1936	2 Nov.	100.50	5.85
P. E. I.	4	1 Apr., 1939	1 Oct.	88.70	6.00
P. E. I.	4½	1 Oct., 1944	1 Oct.	86.95	6.00
*Quebec	4½	1 May, 1961	1 Nov.	94.00	4.62
Saskatchewan	4½	1 Oct., 1944	1 Oct.	80.50	6.85
Saskatchewan	5	1 Oct., 1950	1 Oct.	84.00	6.50
Saskatchewan	6	1 Feb., 1936	1 Aug.	96.00	7.15
Cities					
*Montreal	5	1 Sep., 1963	1 Sept.	91.27	5.60
*Toronto	4½	1 Jan., 1955	1 July	85.85	5.60
*Vancouver	5	15 Jan., 1970	15 July	81.00	6.30
Winnipeg	5	1 Mar., 1944	1 Sept.	85.75	6.75
*Edmonton	5½	1 Apr., 1947	1 Oct.	85.40	7.10
Calgary	5	1 Jan., 1943	1 July	84.15	7.10
Halifax	6	1 July, 1951	1 July	100.00	6.00
Saint John	5	15 Dec., 1950	15 Dec.	88.75	6.00
Regina	4½	1 July, 1950	1 July	72.25	7.25
Victoria	5	21 July, 1945	21 July	86.65	6.50
Quebec	5	1 June, 1948	1 Dec.	92.20	5.75

*New York payment.

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass, pref.	7%	1¾%	July 1	June 15
Assoc. Breweries	60c	15c	June 30	June 15
Do., pref.	7%	1¾%	July 1	June 15
Anglo-Norweg. Hold. pfd.	$7	$3.50	June 30	June 23
Ajax Oil	12c	3c	July 15	June 30
Acme Farmers Dairy pfd.	7%	3½%	Aug. 10	July 30
Bordens	$2	50c	Sept. 1	Aug. 15
Brantford Cordage 1st pfd.	$2	50c	July 15	June 30
Building Products "A" & "B"	$1.40	35c	July 2	June 16
Bank of Nova Scotia	16%	4%	July 2	June 15
Bell Telephone	7%	1¾%	July 15	June 23
B. A. Oil (coupon 9)	80c	20c	July 2	June 14
B.C. Power (A)	$2	50c	July 15	June 30
Brazilian Tr. pref.	6%	1½%	July 2	June 15
Burt, F. N.	$2.40	60c	July 2	June 15
Do., pref.	$7	$1.75	July 2	June 15
Calgary Power	6%	1½%	July 2	June 15
Canada Cement pref.	6½%	1⅝%	June 30	May 31
Canada Life Assur.	20%	5%	July 1	June 30
Canada Packers, pref.	7%	1¾%	June 30	June 15
Can. Northern Pr.	80c	20c	July 25	June 30
Do., pref. 7%	7%	1¾%	July 15	June 30
Can. Permanent Mtge.	12%	3%	July 2	June 15
Canadian Oil, pref.	8%	2%	July 1	June 20
Canadian Canners 1st pfd.	6%	1½%	July 1	June 15
Do., 2nd pfd.	40c	10c	July 1	June 15
Canadian Cottons pfd.	6%	1½%	July 4	June 15
Can. General Elec.	$4	$1	July 1	June 15
Do., pfd	7%	1¾%	July 1	June 15
Canada Trust	$10	$5	July 2	June 15
Canadian Car, pfd.	$1.75	44c	July 9	June 25
Can. Wirebound Box "A"	$1	25c	July 1	June 15
Confederation Life	$4	$1	June 30	June 25
Can. Celanese pref.	7%	1¾%	June 30	June 15
Consumers Gas	10%	2½%	July 2	June 15
Canada Bud	$1	25c	July 15	June 30
Can. Converters	$2	50c	Aug. 15	July 31
Can. Fairbanks pfd.	6%	1½%	July 15	June 30
Chartered Trust	6%	1½%	July 1	June 25
Consol. Bakeries	50c	12½c	July 2	June 18
Crown Trust	7%	1¾%	July 2	June 1
Canada Bread, 1st pfd.	7%	1¾%	July 2	June 15
Can. Southern Rly. c.	$3	$1.50	Aug. 1	July 1
Can. Gen. Invest. com.	40c	10c	July 2	June 15
Can. L. & Power	$1	50c	July 15	June 30
Canada Dry	$1.20	30c	July 15	July 1
Dominion Fire Ins.	$6	$3	July 2	June 30
Dominion Rubber, pref.	7%	1¾%	June 30	June 21
Dominion Textile	5%	1¼%	July 2	June 15
Do., pref.	7%	1¾%	July 15	June 30
Dome Mines	$1	25c+20c	July 20	June 30
Dominion Bank	12%	3%	July 2	June 20
Dominion Glass	5%	1¼%	July 2	June 20
Do., pref.	7%	1¾%	July 2	June 15
Dominion Stores	$1.20	30c	July 1	June 15
Eastern Dairies pfd.	7%	1¾%	July 15	June 30
Do., com.	$1	25c	Aug. 1	June 30
Eastern Theatres pfd.	7%	3½%	July 30	June 30
Eastern Steel	$1	50c	July 1	June 15
Do., pref.	$7	$1.75	July 1	June 15
Edmonton C. Dairy, pfd.	6½%	1⅝%	July 2	June 15
Freiman, A. J., pref.	6%	1½%	July 2	June 15
Famous Players	$2	50c	June 25	June 2
Fanny Farmer, pref.	$2.40	60c	July 1	June 15
Gurd, Chas. (Maritimes) pfd.	6½%	1⅝%	June 15	June 1
Greening, B., Wire, pfd.	7%	1¾%	July 1	June 15
Goderich Elevator	$1.40	35c	July 1	June 15
Gt. Lakes Power pfd.	7%	1¾%	June 15	May 31
Gt. West Life Assur.	20%	5%	July 2	June 20
Goodyear Tire	$5	$1.25	July 2	June 15
Do., pref.	7%	1¾%	July 2	June 15
Gurd, Chas.	$1.60	40c	July 1	June 15
Do., pref.	7%	1¾%	July 1	June 15
Halifax Fire Insur. c.	$1.20	60c	July 2	June 10
Huron & Erie Mtge.	$8	$2	July 2	June 15
Hamilton Un. Theatres, pfd.	7%	1¾%	June 30	May 31
Hamilton Bridge pfd.	6½%	1⅝%	Aug. 1	July 15
Hollinger Gold Mines	65c	5+5c	July 14	June 30
Holt Renfrew pref.	7%	1¾%	July 2	June 20
Hunts "A"	$1	25c	July 2	June 18
Do., "B"	$1	25c	July 2	June 18
Highland Dairy pfd.	7%	1¾%	July 2	June 25
Inter. Nickel, pref.	7%	1¾%	Aug. 1	July 2
Imperial Tobacco, com.	35c	8¾c	June 30	June 1
Intercolonial Coal	$1	50c	July 2	June 21
Do., pref.	$8	$4	July 2	June 21
Inter. Hydro-Elec. pfd.	$3.50	87½c	July 15	June 27
Jam. Public Ser. c.	$1	25c	July 2	June 15
Do., pref.	7%	1¾%	July 2	June 15
Landed Bkg. & Loan	$8	$2	July 2	June 15
Manufacturers Life	$10	$5	July 2	June 30
Maritime Tel. & Tel. pfd.	70c	17½c	July 1	June 15
Do., com.	80c	20c	July 1	June 15
Montreal C. & D. Bank	$12	$3+1	July 2	June 15
Midland Loan & Sav.	10%	5+1%	July 2	June 15
Mitchell, J. S., pref.	7%	1¾%	July 2	June 18
McColl Frontenac pfd.	$6	$1.50	July 15	June 30
Muirheads, pref.	75c	25c	July 1	June 15
Mackay Cos., pref.	$4	$1	July 1	June 17
Moore Corp. pref. "A"	7%	1¾%	July 2	June 15
Do., pref. "B"	7%	1¾%	July 2	June 15
Monarch Mtge. & Inv. pfd.	...	.10c	July 15	June 30
Montreal Finance pfd.	...	$1	July 2	June 20
Montreal Telegraph	$3.20	80c	July 15	June 31
Montreal L. H. & Pr.	$1.50	38c	July 31	June 30
Nat. Sewer Pipe "A" c.	$2.40	60c	June 15	May 31
Do., com.	$1.20	30c	June 15	May 31
National Trust	12%	3%	July 2	June 30
North Star Oil pfd.	7%	1¾%	July 2	June 15
Nat. Breweries	$1.60	40c	July 2	June 15
Do., pref.	$1.75	44c	July 2	June 15
National Biscuit	$2.80	70c	July 15	June 17
National Steel Car	80c	20c	July 2	June 23
New England Pr. pfd.	6%	1½%	July 1	June 10
Do., 2nd pfd.	$2	50c	July 1	June 10
Do., com.	$2	50c	July 11	June 30
Northern Ont. Power	$2	50c	July 25	June 30
Do., pref.	6%	1½%	July 25	June 30
Noranda Mines	...	50c	June 30	June 15
N. S. Light & Pr. ord.	$4	$1	July 2	June 18
National Trust	12%	3%	July 2	June 20
Niagara Wire Weaving pfd.	$3	75c	June 30	June 22
Ottawa L. H. & Pr.	6%	1½%	June 30	June 15
Do., pref.	6½%	1⅝%	July 1	June 15
Ont. Loan & Deb.	12%	3%	July 2	June 15
Ogilvie Flour Mills, c.	$8	$2	July 2	June 22
Page Hersey Tubes	$5	$1.25	July 2	June 20
Do., pref.	$7	$1.75	July 2	June 20
Pioneer Gold Mines	12c	3c	July 2	June 11
Premier Gold	12c	3c	July 2	June 10
Porto Rico Power pfd.	7%	1¾%	July 2	June 15
Provincial Paper, pref.	7%	1¾%	July 2	June 15
Real Estate Loan	$7	$3.50	July 2	July 18
Riverside Silk "A"	$1	25c	July 2	June 15
Robinson Cons. Cone	$1.50	37½c	July 2	June 15
Sherwin Williams pfd.	7%	1¾%	June 30	June 15
Siscoe Gold Mines	...	4c	July 30	July 15
Standard Steel "A" pref.	$3	75c	July 5	June 15
Sylvanite Gold M.	4c	2½c	June 30	May 31
Southern Can. Power pfd.	6%	1½%	July 15	June 20
Standard Chemical	50c	50c	June 27	May 27
Supertest Pete. pref. "A"	7%	1¾%	July 2	June 17
Do., pref. "B"	6%	1½%	July 2	June 17
Do., com. & ord. (coupon 20)	$1	25c	July 2	June 17
Standard Fuel pfd.	6½%	1⅝%	July 1	June 15
Sun Life Assur.	$15	$3.75	July 1	June 15
Tamblyn, pref.	7%	1¾%	July 1	June 18
Teck Hughes	60c	15c	Aug. 1	July 15
Toronto Gen. Trusts	10%	2½%	July 2	June 18
Tip Top Tailors pfd.	7%	1¾%	July 1	June 15
Toronto Mortgage	12%	3%	July 1	June 15
Tuckett Tobacco, pref.	7%	1¾%	July 15	June 30
United Securities	$2	50c	July 15	June 30
Union Trust	5%	1¼%	July 2	June 20
Viau Biscuit pfd.	7%	1¾%	July 2	June 22
Wright-Hargreaves	10c	2½+2½c	July 1	June 15
Western Grocers pfd.	7%	1¾%	July 15	June 20
Weston, Geo., c.	$1	25c	July 2	June 20

Dividends Passed or Deferred:

Fanny Farmer, c. July 1, deferred.

Canadian Canners, com., July 1, passed. Last paid 5c. April 1, 1932.

Cities Service, com. and stock dividend July 1, payment rescinded. Last paid com. 2½c. and ½% stock dividend June 1, 1932.

Brandram-Henderson, pref. July 1, passed. Last paid $1 Apr. 1, 1932.

Cons. Smelters July 15, deferred.

Debenture Co. of Can. c. July 31, passed. Last paid $3 July 31, 1931.

Inter-Hydro Electric "A" com. July 15, passed. Last paid 50c. April 15, 1932.

Moore Corp. com. July 2, passed. Last paid 12½c. Apr. 1, 1932.

Dominion Tar, pfd. Aug. 1 passed. Last paid 1¾% May 1, 1932.

Niagara Wire Weaving c. July 1 passed. Last paid Apr. 1, 1932.

Dividend Rate Reduced:

Canadian Canners, 2nd pref., 10c. July 1. Reduced from 65c. to 40c. per annum.

Bell Telephone 1¾%, July 15. Reduced from 8% to 7% per annum

Bordens, c. 50c. Sept. 1. Reduced from $3 to $2 per annum.

Consolidated Bakeries 12½c, July 2. Reduced from $1 to 50c. per annum.

Standard Chemical 50c. June 27. Reduced from $1 to 50c. per annum.

Burt, F. N., c. 60c. July 2. Reduced from $3 to $2.40 per annum.

Building Products A & B, 35c. July 2. Reduced from $2 to $1.40 per annum.

National Steel Car 20c. July 2. Reduced from $2 to 80c. per annum.

National Trust 3% July 2. Reduced from 14% to 12% per annum

Riverside Silk Mills, 25c. July 2. Reduced from $2 to $1 per annum.

Toronto General Trusts 2½% July 2. Reduced from 12% to 10% per annum.

Sun Life Assur., $3.75 July 1. Reduced from $6.25 quarterly.

Union Trust 1¼% July 2. Reduced from 1½% quarterly.

Can. Gen. Investments 10c, July 2. Reduced from 15c. to 10c. quarterly.

Hunts "A" & "B" 25c. July 2. Reduced from $1.40 to $1 per annum.

Monarch Mtge. & Invest. pfd. 10c. July 15. Reduced from 12½c.

National Sewer Pipe, com. 30c. June 15. Reduced from 50c.

Extra Dividends:

Dome Mines, 20c., July 20.

Sylvanite Gold Mines, ½ of 1% June 30.

Montreal City & D. Bank, $1 July 2.

Midland Loan & Savings 1% July 2.

Wright-Hargreaves 2½c. July 1.

Hollinger Gold Mines 5c. July 14.

Stocks With Minimum Prices

Ogilvie Milling c.	185	Price Bros.	25
Ottawa L. H. & Pr. c.	100	Do., pref.	70

G. G. Mitchell is New Head Of Toronto Stock Exchange

Harold Franks, Frank G. Lawson and D. F. McMillan Fill Respectively Posts of Vice-president, Secretary and Treasurer

At the 81st annual general meeting of the Toronto Stock Exchange on June 21 Colonel G. G. Mitchell, senior partner of the firm of Brouse, Mitchell & Company, was re-elected president for 1932-33. He is the 35th president to occupy the chair since 1861 when regular sessions of the board were first held.

Colonel Mitchell besides serving on the committee for a number of years, has occupied the presidential chair previously and his valuable services through these years brought him the office by acclamation. Although it is customary for the incumbent to hold office for two years in succession, Col. Mitchell succeeded Mr. Mara who retired before the expiration of his normal presidential term due to ill health.

COLONEL G. G. MITCHELL

HAROLD FRANKS

F. G. LAWSON

D. F. McMILLAN

Other Offices Filled

The office of vice-president was again filled by Harold Franks of the firm of Osler & Hammond who was also re-elected by acclamation. Mr. Franks, one of the oldest active members on the floor, served as treasurer two years ago and has had a number of years experience on the committee.

The vacancy of secretary, caused by the retirement of H. L. Plummer, was occupied by F. G. Lawson of the firm of Moss, Lawson & Company while D. F. McMillan, of McMillan, Guest & Company was elevated to the position of treasurer previously held by Mr. Lawson.

Members of the committee, again elected to serve, were H. E. Wallace, of Watson, Wallace & Co.; D. C. Haig, of Haig, Rennie & Company and G. R. Bongard, of Bongard & Co. Vacancies on the committee created by the retirement of J. C. Fraser, W. Harold Mara and the elevation of Mr. McMillan to treasurer, were filled by P. R. Gardiner, of Gardiner Wardrop & Co.; H. B. Housser, of H. B. Housser & Co. and S. R. Mackellar, of S. R. Mackellar & Co.

In presenting the annual statement for the approval of the members, the president referred to the exceptional strength of the finances of the Exchange, the high ratio of current assets to current liabilities and the ample amounts written off for depreciation and reserve. He also made reference to the fact that the Exchange, despite the trying year, had made no assessment upon the members beyond the annual fee of $25 required by the by-laws.

UNION GAS PROFITS DROP MATERIALLY DUE MILD WINTER

Company Funds All Bank Loans of Subsidiaries in Its Own

Union Gas Co. net profit for the year ended March 31, 1932, was $1,635,131 as compared with $2,497,788 in the preceding year. After depreciation, interest, taxes and other write-offs, there was $258,721 available to pay $180,000 in dividends on United Fuel preferred stock and $529,523 on common stock of Union Gas. After further adjustments and write-offs this resulted in changing the previous surplus of $254,804 to a deficit of $311,132.

CONSOLIDATED INCOME & SURPLUS ACCOUNT

	Year ended Mar. 31, 1932 $	15 Mos. ended Mar. 31, 1931 $
Net profit from oper.	1,635,131	2,497,788
Add: Other income	4,532	8,883
Net earnings	1,639,663	2,506,671
Less: Depreciation	495,418	582,899
Int. on bank loans, mtges. etc.	452,638	240,841
Int. on bonds of constit. cos.	277,560	220,434
Amort. of devel. cost deferred	115,800	77,328
Prov. for inc. taxes	21,134	58,100
Bond expense	18,396	......
Net profit	258,721	1,327,069
Add: Prov. for deplet. reversed	......	402,438
Less: Prov. for writ. down devel. cost def. for 1929	......	15,760
Less appropriations:		
Pref. divds. of United Fuel	180,000	315,000
Common divds. of Union Gas	529,523	1,311,216
Surplus for period	*450,802	87,526
Add: Prev. surplus	254,804	167,278
Less: Adj. prior years	58,093	......
Bond issue exp. w/o	57,041	......
Balance forward	*311,132	254,804

*Deficit.

Depression Lessens Demand

Earnings for the year were adversely affected by the business depression and this was accentuated by the unusual mildness of the winter which affected gas sales for domestic purposes, especially where the company had developed a large house heating demand. The severe recession in industrial activity was felt throughout the territory of the company, particularly in the Windsor area and in Hamilton, the situation in the latter city being further complicated by the amended 10-year franchise giving lower domestic rates.

The United Gas & Fuel Co., Hamilton subsidiary, has taken suit against Dominion Natural Gas Co. to restrain the latter from distributing gas in that portion of Hamilton where Dominion Natural Gas has duplicated the pipeline system of the United Company, thereby inflicting heavy losses in business, according to the complaint. Judgement is expected in the near future.

In marketing 312,880 tons of coke, Hamilton By-Product Coke Ovens showed a gain of 51,129 tons, increasing gross revenues by $338,243. High exchange rates in purchasing coal in the United States offset this advantage largely and lower revenues from by-products such as ammonium sulphate, tar and motor benzol further reduced total.

Working Capital is Lower

Working capital is down somewhat as shown by the following table:

Working Capital

	1932 $	1931 $
Current assets	2,248,649	2,069,520
Current liabs.	1,464,740	1,145,953
Working capital	783,909	923,567
Ratio	1.53—1	1.81—1

During the year Union Gas consolidated bank loans of all companies other than current loans against coal and coke inventories into one loan assumed by the parent company. An issue of $10,000,000 first mortgage and collateral trust sinking fund gold bonds of Union Gas Co. of Canada has been authorized and of this amount $7,928,000 issued and pledged as collateral against this bank loan of $6,925,000. As security for $2,625,000 advanced to the Hamilton subsidiaries the parent company has received $775,000 of United Fuel Investments 6½ per cent general mortgage bonds and $2,325,000 Hamilton By-Product Coke Ovens 6½ per cent general mortgage bonds. When market conditions permit it is expected to make a public issue of Union Gas Co. bonds to liquidate the bank loan.

Cash was $284,000, receivables $800,826 and inventories $1,213,695.

Total funded indebtedness amounts to $13,439,300. Besides the special secured bank loans $6,925,000 current bank loans were $922,102. Payables amounted to $493,451, while tax reserve was $49,187.

Property is shown at $34,712,214, book values based in part on appraisals and exclusive of gas reserves developed. Reserves for depreciation and renewals are $5,964,130.

UNITED FUEL INV. EARNINGS DROPPED

Major Part of Bank Loans Taken Over by Union Gas Co.

United Fuel Investments and controlled companies had operating earnings of $664,339 in the year ended March 31, 1932, as compared with $858,608 in preceding year. There was a loss of $4,039 after interest and various write-offs but before paying $180,000 in dividends on preferred stock. A surplus of $3,242 was changed during the year into a deficit of $59,962.

CONSOLIDATED INCOME & SURPLUS ACCOUNT

Years Ended March 31

	1932 $	1931 $	1930 $
Net earnings	664,339	858,608	1,229,770
Less: Deprec.	197,591	195,700	135,000
Int. on sub. bonds	306,845	215,940	256,108
Int. on bank loans	126,248	170,771	119,185
Res. for inc. tax	......	......	30,000
Manage. fee	10,000	......	......
Bond & loan exp.	27,694	......	......
Net profit	‡4,039	276,197	689,527
Less appropriations:			
Pref. divds.	180,000	495,000	540,000
Surp. for year	*184,039	*218,803	149,527
Add: Prev. surplus	3,242	182,973	33,446
Adj. of tax res.	......	39,072	......
Less: Adjust.	59,165	......	......
Rec. under contract	180,000	......	......
Bal. forward	*59,962	3,242	182,973

*Deficit.
‡Received from Union Gas Co. under contract.

Effect of mild winter and industrial recession and other matters affecting this company are dealt with in this issue in report covering annual statement of parent company, Union Gas Co. of Canada. The latter, according to agreement, credited United Fuel with $180,000 during the year.

Working capital was greatly improved during the year by the action of Union Gas of consolidating all bank loans of subsidiaries. Hamilton Fuel, from having a working capital deficit achieved a surplus as shown in the following table:

Working Capital

	1932 $	1931 $
Current assets	1,499,592	1,151,995
Current liabs.	1,178,242	3,352,534
Working capital	321,350	*2,200,539
Ratio	1.27—1	0.34—1

*Excess of current liabilities over current assets.

Wholesale Hardware Reports Greater Activity

Decided stimulation has come in the retail sale of seasonable hardware commodities. Household and garden lines are in brisk demand. In rural communities there has developed an increasing sale of harvest needs, and this market is expected to continue active for some weeks, states Hardware and Metal, Toronto.

Wholesalers report that their sales to the retailer in sorting varieties of seasonable merchandise have been increased considerably, as consumer buying depleted stocks, which were not particularly heavy at the beginning of the season. If the present brisk buying continues for some time yet, this trade should be comparatively active.

Week's Canadian Quotations—Continued

Winnipeg Grain Prices

Week to June 21

Crop Year from Aug. 14 High	Low		Open June 15	High for week	Low for week	Close June 21
		Wheat				
.77¾	.53	July	.54½	.55½	.53	.54¼
.72⅜	.55½	Oct.	.56⅞	.58⅛	.55½	.56⅜
.66⅜	.56½	Dec.	.56⅞	.59⅛	.56⅜	.57⅜
		Oats				
.37½	.30½	July	.33¾	.34¼	.32½	.33¾
.35½	.28¼	Oct.	.28⅛	.29⅛	.28¼	.28⅝
.27⅞	.26⅞	Dec.	.27⅛	.27⅞	.26⅞	.27
		Barley				
.45⅛	.36⅜	July	.38	.39	.37⅛	.38⅜
.43⅛	.31	Oct.	.33	.34⅛	.33	.34⅛
.35⅛	.33⅜	Dec.	...	.34	.33⅛	.33⅞
		Flax				
1.16⅛	.69⅛	July	.70	.73⅛	.69⅛	.71⅛
1.09⅛	.72⅛	Oct.	.73	.76⅛	.72⅛	.75⅛
.78⅛	.75⅛	Dec.	...	.77⅛	.75⅛	.76⅛
		Rye				
.59	.32⅛	July	.33⅛	.35⅛	.32⅛	.33⅛
.55⅛	.34⅛	Oct.	.35⅛	.36⅛	.34⅛	.35⅛
.37⅛	.35⅛	Dec.	.37⅛	.37⅛	.35⅛	.35⅛

Foreign Exchange

	New York Funds High (Premium) %	Low %	Last Year High (Premium) %	Low %
June 15	15 7-8	15 5-8	5-16	9-32
June 16	15 15-16	15 3-4	7-16	5-16
June 17	16 5-16	15 13-16	11-32	13-64
June 18	16 1-4	16 1-16	11-32	5-16
June 20	16 5-16	16 1-8	5-16	9-32
June 21	16 5-16	15 5-8	11-32	9-32

STERLING, FRANCS AND LIRE

(Close Demand in New York)

	Sterling	Francs	Lire
June 15	3.66	3.92 7-8	5.12
June 16	3.64 7-8	3.92 3-4	5.11 3-4
June 17	3.61 1-4	3.92 15-16	5.12
June 18	3.61 5-8	3.92 7-8	5.11 3-4
June 20	3.60 5-8	3.92 1-2	5.11
June 21	3.60 3-8	3.92 13-16	5.10 3-4

FOREIGN EXCHANGE

(Close Demand in Toronto)

		June 7	June 14	June 21
5.26	Italian	5.97½	5.93¾	5.91⅞
23.80	German	27.54	27.39	27.49
13.90	Belgian	16.22	16.10	16.10
49.80	Japanese	38.34	36.75	34.87

Listed Bond Quotations

Week Ending June 20

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1932 High	Low
Abitibi, 1st mtge.	5	1953	...	†20	26	...	46	24¾
Asbestos	5	1942	...	...	...	...	65¼	49
Asbestos, 1st mtge.	6	1941	...	...	...	...	*20	14
Do., gen. mtge.	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69¾	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	‡96	...
Can. Pr. (Laur.)	5½	1958	...	†6½	...	...	7	6
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S. S. deb.	5	1943	...	...	...	...	‡98½	...
Cedars Rapids	5	1953	5.40	†100	...	...	100	98
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dom. Coal	5	1940	...	†98½	...	...	*96½	96
McNish	6	1948	...	†1.25	...	...	1.25	...
Mex. L. & Pr.	5	1940	...	...	...	...	*73½	70½
Mont. L.H.&P. debs.	3	1939	...	...	36½	36	40	35
Mont. Tr. 1st mtge.	5	1941	6.32	90	...	...	93½	91
Mont. Tr. "A"	5	1955	7.45	71	71½	71½	80½	71½
Mont. Tr. G. & R. "B"	5	1955	7.45	71	...	...	79½	75½
Do., "C"	4½	1955	...	...	...	...	*85	84
Do., "D"	5	1955	6.62	71	...	...	81	78
N. S. Steel	5	1959	...	†44	...	...	*62½	59
Ont. Steel	6	1943	5.94	90	...	...	100½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Can.	6	1940	5.84	100½	100½	100½	102½	100½
Wayagamack	6	1951	...	†41	...	...	*75	45
Winn. Elec.	5	1935	...	†85	...	...	*99½	98½
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Can.	6	1940	5.60	...	...	...	102½	...
Dominion Gov't. Bonds (Montreal)								
War Loan	5	1937	3.18	107.50	...	...	107.00	105.00
Victory Loan	5½	1933	4.85	100.70	100.70	...	101.25	100.25
Do.	5½	1934	5.32	99.50	...	...	100.85	99.25
Do.	5½	1937	4.36	105.25	...	...	108.15	104.00
Do., refund	4½	1940	5.55	92.25	92.37	...	94.60	91.50
Do., refund	5	1943	5.32	97.25	97.25	96.75	98.25	95.38
Do., refund	4½	1944	5.38	91.25	...	...	92.25	89.50
Do., refund	4½	1946	5.34	90.75	91.75	...	92.25	91.75
Do., renewal	5½	1932	3.45	100.60	...	...	100.60	100.25
Conversion Loan	4½	1956	5.25	88.25	...	...	91.25	88.25
Do.	4½	1957	5.39	88.25	...	...	90.50	88.00
Do.	4½	1958	5.28	89.25	89.00	...	92.75	88.50
Do.	4½	1959	5.15	90.00	...	...	92.25	89.00
Nat. Service Loan	5	1936	5.56	97.25	98.00	97.50	98.50	96.25
Do.	5	1941	5.46	96.50	96.75	...	98.25	95.00

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange. Basis Buffalo
Week to June 21

High *to date	Low		Close June 14	High for week	Low for week	Close June 21
		Wheat				
.66½	.49	July	.49	.50½	.49	.49½
.66½	.51	Oct.	.51½	.52½	.51	.51½

*Since trading opened March 3, 1931.

Mining Stock Quotations

Week Ending June 20.

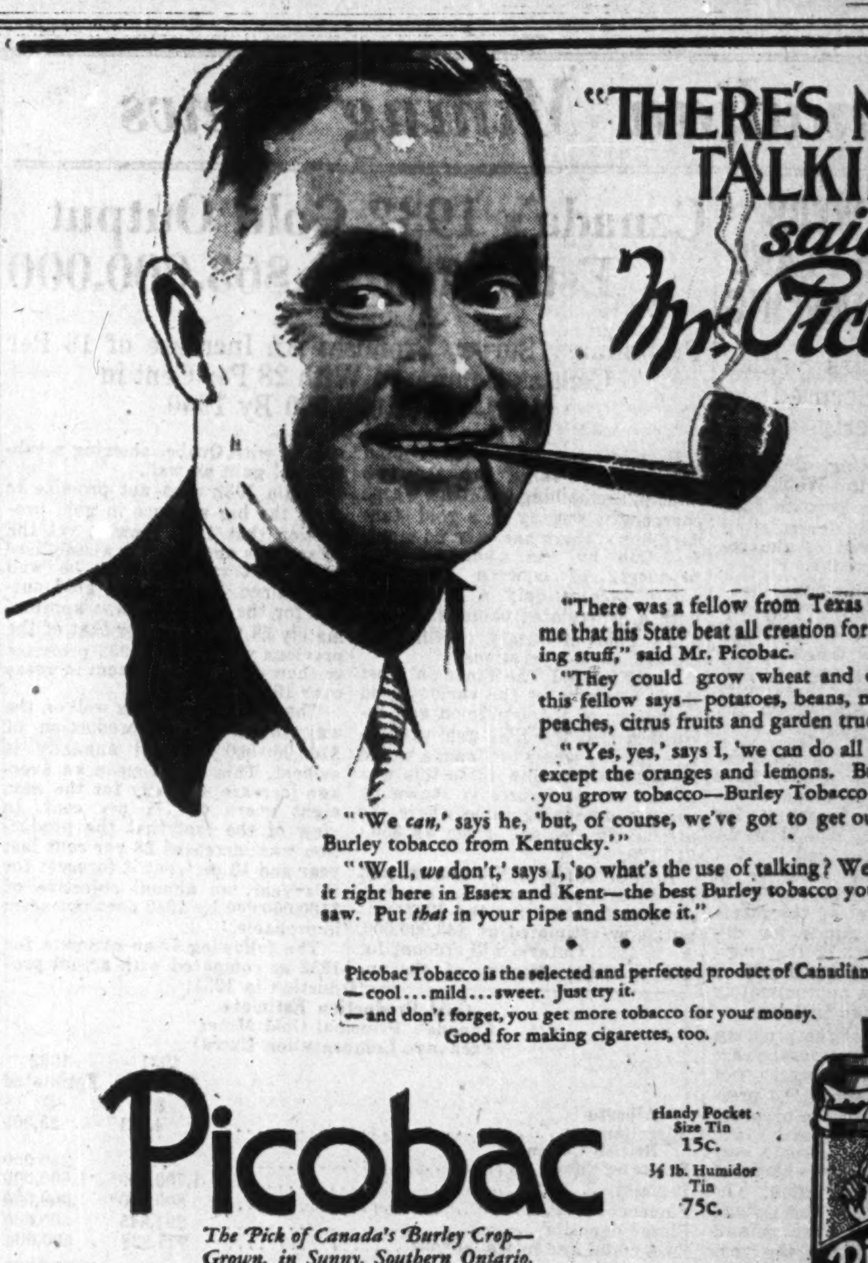
Par Val.	Range 1932 High	Low	Company	Sales	Close June 13 (or last)	High for week	Low for week	Close June 20
1	.05½	.04	Abana	.....	.04	.....	.....	.....
1	.02	.00½	Aconda	.....	.00½	.....	.....	.....
No	.15	.15	Aldermac	.....	.15	.....	.....	.....
1	.09	.00¾	Alexandria	23,000	.02½	.01½	.01½	.01½
1	.01½	.00½	Algonquin	.....	.00½	.....	.....	.....
1	.01	.00½	Amity C.	.....	.00½	.....	.....	.....
No	.22	.06	Amulet	1,125	.10	.09	.07	.07
1	.00½	.00½	Apex	.....	.00½	.....	.....	.....
1	.02½	.01	Area	3,500	.01½	.01½	.01	.01
No	.03	.00½	Arno	116,500	.01	.01½	.01	.01½
1	.02½	.02	Astoria Rouyn	.....	.02½	.....	.....	.....
1	.07	.03	Bagamac	.....	.04½	.....	.....	.....
1	.00½	.00½	Baldwin	.....	.00½	.....	.....	.....
1	.12	.03½	Barry Hollinger	5,500	.03½	.03½	.03½	.03½
No	1.00	.30	Base Metals	.....	.30	.....	.....	.....
No	.12	.01	Bidgood	9,000	.03	.03	.02½	.02½
1	.16½	.04	Big Missouri	1,600	.05	.06	.05	.06
1	.05½	.02	Bobjo	28,000	.02½	.03½	.03	.03½
1	.08	.02½	Brett Trethewey	5,600	.06½	.06½	.06½	.06½
No	.03	.00½	Brownlee	8,800	.01	.01½	.00½	.00½
1	.00½	.00½	Buckingham	.....	.00½	.....	.....	.....
No	.36	.02	Buffalo Can.	.....	.02	.....	.....	.....
No	.02½	.01	Bunker Hill	9,000	.01½	.01½	.01½	.01½
5s	.50	.10	B'Wana McKubwa	.....	.10	.....	.....	.....
No	.01	.00½	Cal. Flin Flon	.....	.01	.....	.....	.....
No	.03	.02	Canam Metals	.....	.02	.....	.....	.....
1	.04	.01½	Can. Kirkland	.....	.02½	.....	.....	.....
1	.09	.00¾	Canusa	2,750	.02	.02	.01½	.01½
No	.02½	.00½	Capital Rouyn	.....	.00½	.....	.....	.....
1	.07	.02½	*Cartier Malartic	.....	.06	.....	.....	.....
1	.15	.09	Castle Tretheway	1,800	.12	.12	.12	.12
1	.08	.04	Cen. Manitoba	1,500	.05	.05	.05	.05
1	.07½	.02	Cen. Patricia	.....	.02½	.....	.....	.....
No	.07½	.01½	Chibougamau Pros.	2,000	.01½	.02½	.02½	.02½
No	.02	.00¾	Clericy	3,500	.01½	.01	.00¾	.01
5	3.00	.45	Coast Copper	215	.50	.55	.45	.45
1	.02	.00½	Cobalt Contact	.....	.00½	.....	.....	.....
No	.16	.15	Cobuc	.....	.15½	.....	.....	.....
1	.08	.03	Columario	1,300	.04	.03½	.03	.03½
5	.80	.75	Coniagas	.....	.80	.....	.....	.....
No	.40	.28	Coniaurum	.....	.32	.....	.....	.....
25	75.00	25.00	Cons. Smelters	1,130	30.00	35.50	30.00	32.50
No	12.50	9.00	Dome Mines	1,050	10.70	10.75	10.60	10.75
No	.10	.02	Dom. Explorers	17,000	.02½	.04½	.03	.03½
1	.01	.00½	Don Rouyn	.....	.00½	.....	.....	.....
1	1.55	.76	Eldorado	27,395	.93	1.15	.94	1.14
No	1.05	.47	Falconbridge	1,396	.60	.82	.80	.80
1	.04	.00¾	Federal	2,000	.01	.00¾	.00¾	.00¾
No	.00½	.00½	Flintoba	.....	.00½	.....	.....	.....
No	.07	.00½	Gem. Lake	3,200	.01½	.01½	.01½	.01½
1	.02½	.00½	Goldale	2,000	.00½	.01½	.01½	.01½
10	.11	.05½	Goldfield	.....	.07	.....	.....	.....
1	.00½	.00½	Gold Hill	.....	.00½	.....	.....	.....
1	.04	.02½	Goodfish	.....	.03	.....	.....	.....
1	.01	.00½	Graham	.....	.01	.....	.....	.....
1	1.25	.50	Granada	2,075	.55	.65½	.55	.60
1	.22	.09	Grozelle	.....	.09	.....	.....	.....
1	.02½	.01	Harker	1,000	.01	.01½	.01½	.01½
1	.01½	.00½	Hilltop	6,000	.00½	.00½	.00½	.00½
5	5.70	4.25	Hollinger	3,892	4.35	4.70	4.40	4.60
1	.36	.26	Howey Gold	17,700	.33	.35	.33	.35
No	2.78	.92	Hudson Bay	2,175	1.70	2.00	1.70	1.70
No	.20	.15	Huronian	.....	.15	.....	.....	.....
No	11.00	4.00	Int. Nickel	9,029	4.75	5.25	4.62	5.00
1	.01½	.00½	Jackson Manion	.....	.00½	.....	.....	.....
1	.28	.15	Keeley	1,370	.21	.20	.20	.20
1	.02½	.01	Keora Mines	1,000	.01	.01	.01	.01
1	.70	.40	Kirk. Hud. Bay	1,600	.50	.45	.45	.45
1	.02½	.00½	Kirk. Hunton	.....	.01	.....	.....	.....
1	.55	.19	Kirkland Lake	18,000	.22	.24	.20	.24
1	.03½	.00½	Kirkland Premier	2,000	.00½	.00½	.00½	.00½
1	.13	.05	Kirk. Townsite	1,500	.05	.08	.06½	.08
20c	.01½	.00½	Koot. Florence	2,000	.00½	.00½	.00½	.00½
1	.01½	.00¾	La Rose	.....	.01½	.....	.....	.....
1	.41	.14	Lakeland	.....	.15	.....	.....	.....
1	29.50	24.90	Lake Shore	2,930	25.05	26.00	24.90	26.00
1	.00½	.00½	Laval	.....	.00½	.....	.....	.....
1	.08½	.01½	Lebel Oro	.....	.03	.....	.....	.....
1	.41	.13	Macassa	6,550	.24½	.24	.20½	.21
1	.07	.02½	Malartic	2,000	.03	.03	.03	.03
1	.01	.00¾	Malrobic	55,500	.00¾	.01	.00¾	.01
No	.06	.02	Mandy	.....	.02½	.....	.....	.....
No	.01½	.00½	Manitoba Basin	.....	.00½	.....	.....	.....
5	19.50	14.70	McIntyre	1,130	15.75	16.50	16.00	16.50
1	.35	.25	McKinley	.....	.30	.....	.....	.....
No	.09½	.02½	McLeod River	139,000	.02½	.03½	.02½	.03
No	1.43	.58	Mining Corp.	690	.82	.86	.78	.86
1	.08½	.01½	Moffatt Hall	9,300	.01½	.01½	.01½	.01½
1	.02½	.02½	Moneta	.....	.02½	.....	.....	.....
1	.45	.19½	Moss	11,100	.30	.32	.27½	.31½
1	.02½	.01	Murphy	3,000	.01	.01	.01	.01
	.05	.05	Nevada	.....	.05	.....	.....	.....
No	.03	.01	Newbec	2,000	.01½	.01½	.01	.01
5	1.15	.50	Nipissing	100	.55	.55	.55	.55
No	19.80	12.50	Noranda	5,966	14.00	14.00	13.00	13.30
No	.24	.10	Nor. Canada	3,400	.11	.11	.10	.10
No	.01	.00½	Old Colony	.....	.00½	.....	.....	.....
1	.08	.05	Osisko	.....	.05	.....	.....	.....
1	.10	.07	Parkhill	.....	.07½	.....	.....	.....
1	.13½	.11	Patricia Dent	.....	.13	.....	.....	.....
1	.02	.01	Pawnee Kirk.	.....	.01	.....	.....	.....
No	1.15	.35	Pend Oreille	2,300	.36	.50	.40	.50
1	.01½	.00½	Peterson Cobalt	.....	.00½	.....	.....	.....
1	4.10	3.00	Pioneer Gold B.C.	700	3.60	3.70	3.50	3.50
1	.00¾	.00½	Porcupine Crown	.....	.00½	.....	.....	.....
1	.02	.00¾	Potter Doal	.....	.00¾	.....	.....	.....
1	.62	.32	Premier Gold	4,250	.41	.43	.42	.43
1	.00¾	.00¾	Preston E. Dome	10,000	.00¾	.00¾	.00¾	.00¾
No	.30	.15	Prospectors Air's	.....	.21	.....	.....	.....
No	1.00	1.00	Quebec Pros.	.....	1.00	.....	.....	.....
No	.06	.03	Quemont	.....	.05	.....	.....	.....
1	.02½	.00½	Ribago	7,500	.00¾	.01	.00½	.00½
1	.02½	.01	Ritchie	6,000	.01½	.01½	.01	.01½
1	.01½	.00½	Robb Montbray	1,000	.00½	.01	.01	.01
1	.42	.35	San Antonio	332	.38½	.35	.35	.35
1	.09	.07½	Seven Troughs	.....	.07½	.....	.....	.....
1	.65	.18	Sherritt Gordon	5,850	.22	.27	.21	.25½
1	.70	.50	Siscoe	97,015	.68	.72	.64½	.67
1	.08	.00½	South Keora	10,000	.00½	.00½	.00½	.00½
No	.02½	.00¾	Stadacona	2,000	.00¾	.01	.01	.01
1	.17	.06	St. Anthony	.....	.07	.....	.....	.....
No	.45	.16	Sudbury Basin	1,371	.18	.25	.18	.25
1	.01½	.00½	Sudbury Contact	.....	.00½	.....	.....	.....
1	.01	.00½	Sudbury Mines	.....	.00½	.....	.....	.....
1	.12	.07	Sullivan	5,900	.07	.08½	.07	.08

Par Val.	Range 1932 High	Low	Company	Sales	Close June 13 (or last)	High for week	Low for week	Close June 20
1	.65	.39	Sylvanite	14,900	.39½	.50	.43	.50
1	.07	.01	Tashota	44,000	.01½	.01½	.01	.01
1	5.25	3.10	Teck Hughes	8,640	3.28	3.35	3.27	3.33
1	.03½	.02	Thom. Cadillac	.....	.03	.....	.....	.....
1	.40	.10	Towagmac	.....	.11	.....	.....	.....
1	3.00	1.01	Treadwell	.....	1.25	.....	.....	.....
1	.09½	.02	United Kirkland	.....	.02	.....	.....	.....
1	.01½	.00½	Vacuum Gas	.....	.00½	.....	.....	.....
No	.53	.16	Ventures	28,780	.23	.29	.21	.27
1	.17½	.04	Vickers	1,000	.05	.06	.06	.06
1	.45	.20	Vipond	750	.20	.20	.20	.20
No	1.00	.25	Waite Ackerman	.....	.30	.....	.....	.....
1	.07	.01	White Lake	1,000	.01	.01½	.01	.01½
1	.01	.01	Wiltsey Coughlan	.....	.01	.....	.....	.....
No	3.06	2.00	Wright-Hargreaves	15,435	2.20	2.35	2.18	2.35
			OIL STOCKS					
No	.19	.07½	Acme Gas & Oil	8,700	.09	.10	.09	.09½
1	1.17	.60	Ajax	3,250	.65	.71	.70	.70
1	.12	.04½	Alta. Pacific	.....	.05	.....	.....	.....
1	.03½	.02	Askalta	.....	.03½	.....	.....	.....
No	.10	.03	Associated	.....	.05	.....	.....	.....
No	.04	.01	Baltac	.....	.02	.....	.....	.....
	.05½	.00½	Benton	.....	.00½	.....	.....	.....
1	.06	.02½	Brit. Dominion	.....	.03½	.....	.....	.....
No	.38	.14	Calgary & Ed.	.....	.15	.....	.....	.....
1	.09	.04	Calmont	.....	.04	.....	.....	.....
1	.11	.03	Comm. Pete.	.....	.05	.....	.....	.....
No	.20	.07	Dalhousie	.....	.08	.....	.....	.....
No	.01	.01	Devenish	.....	.01	.....	.....	.....
No	.02	.00½	Dome Oil	.....	.00½	.....	.....	.....
No	.12½	.04	East Crest	.....	.06	.....	.....	.....
No	.01½	.01½	Fabyan Pete.	.....	.01½	.....	.....	.....
No	.10	.06	Foothills	.....	.06	.....	.....	.....
No	.03½	.02	Freehold	.....	.02	.....	.....	.....
1	.02	.00½	Great West	.....	.00½	.....	.....	.....
No	.06½	.03	Hargal	.....	.03	.....	.....	.....
No	.05	.02	High Sarcee	.....	.02	.....	.....	.....
No	.47	.15	Home	1,000	.20	.17½	.17	.17
No	.05	.01½	Homestead	.....	.01½	.....	.....	.....
1	.50	.09	Homestead O. & G.	1,300	.11	.13	.10	.13
1	.01	.00½	Illinois Alberta	.....	.00½	.....	.....	.....
No	.02½	.00½	Lethbridge	.....	.00½	.....	.....	.....
No	.02	.00½	Madison	.....	.00½	.....	.....	.....
1	.15	.05½	Mayland	.....	.05½	.....	.....	.....
No	.04	.01½	McD. Segur Ex.	.....	.01½	.....	.....	.....
1	.04½	.01	McD. Segur N.	.....	.01	.....	.....	.....
1	.50	.18	McLeod	.....	.18	.....	.....	.....
No	.10½	.06½	Mercury	.....	.07½	.....	.....	.....
No	.08	.04½	Merland	1,400	.04½	.06	.06	.06
No	.15	.08½	Mill City Pete.	.....	.08½	.....	.....	.....
1	.20	.12½	Model	.....	.13	.....	.....	.....
1	.05	.04	Monalta	.....	.05	.....	.....	.....
1	.07	.03	Moose Mountain	.....	.03	.....	.....	.....
1	.01	.01	New Federal	.....	.01	.....	.....	.....
5	.14	.01	Nordon	11,100	.02	.03½	.02½	.03½
No	.04½	.02	Oil Selection	8,300	.02½	.03	.02½	.02½
No	.05	.02½	Okalta	.....	.03	.....	.....	.....
100	15.00	15.00	Okalta, pref.	.....	15.00	.....	.....	.....
No	.20	.09	Olga Gas & Oil	50,200	.13	.20	.10	.17½
No	.06½	.02	Penn. Pete	101,000	.03½	.03½	.03	.03½
No	20.00	20.00	Perfection Pete., pfd.	.....	20.00	.....	.....	.....
1	.28	.14½	Petrol Oil & Gas	100	.15	.15	.15	.15
No	.14	.08	Ranchmen's	.....	.09	.....	.....	.....
1	.01	.00½	Regent	.....	.01	.....	.....	.....
No	.02½	.01	Richfield	.....	.01	.....	.....	.....
No	6.65	3.95	Royalite	150	4.00	4.50	4.25	4.25
1	.12	.05	Sarnia Oil	9,200	.05	.12	.07	.11
1	.03	.01	Signal Hill	.....	.01	.....	.....	.....
1	.20	.10	Spooner	.....	.10	.....	.....	.....
No	.11	.05½	Sterling Pacific	.....	.05½	.....	.....	.....
1	.11	.07½	Turner Valley	.....	.07½	.....	.....	.....
No	.08	.03	United	.....	.03	.....	.....	.....
1	.09½	.03	Vulcan	.....	.03	.....	.....	.....
No	.02	.00½	Wainwell	.....	.00½	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transactions for Week to June 15)					
25c	.00½	.00½	Bayview	.....	.00½	.....	.....	.....
20c	.05	.03½	Beaver Silver	7,000	.03½	.04	.03½	.03½
25c	.02½	.01	Bluebird	.....	.02	.....	.....	.....
1	.12	.04½	Bridge River Cons.	12,000	.04½	.05½	.05	.05½
25c	.01½	.01½	Cork Province	.....	.01½	.....	.....	.....
	.01½	.01½	Dalhousie Mines	.....	.01½	.....	.....	.....
1	.13	.02	Cotton Belt	7,500	.09	.03	.02	.02
1	.45	.15	George Copper	.....	.20	.....	.....	.....
50c	.02	.01½	Geo. Enterprise	.....	.02	.....	.....	.....
1	.04½	.02	Georgia River	13,500	.03	.02½	.02½	.02½
1	.24	.10	Golconda	.....	.12	.....	.....	.....
50c	.08	.02½	Grandview	2,000	.02½	.02½	.02½	.02½
25c	5.25	5.25	Hecla Mining	.....	5.25	.....	.....	.....
1	.01	.01	Independence	.....	.01	.....	.....	.....
1	.01½	.01	Indian Mines	.....	.01½	.....	.....	.....
1	.12	.09	Inter. Coal	.....	.12	.....	.....	.....
1	.21	.21	Jack Waite	.....	.21	.....	.....	.....
25c	.00½	.00½	Kootenay King	.....	.00½	.....	.....	.....
1	.19½	.09	Lorne Gold	23,300	.09½	.10	.09½	.09½
10c	.02	.01	Lucky Jim	.....	.01	.....	.....	.....
5c	.12	.05½	Metaline Metals	.....	.05½	.....	.....	.....
1	.03	.00½	Morton Woolsey	.....	.00½	.....	.....	.....
50c	.03	.00½	National Silver	3,000	.01½	.01½	.01½	.01½
50c	.08½	.02	Noble Five	17,000	.02	.02	.02	.02
50c	.01	.00½	Oregon Copper	.....	.00½	.....	.....	.....
1	4.11	3.00	Pioneer Gold	1,965	3.75	3.75	3.60	3.60
50c	.08½	.04	Porter Idaho	.....	.04	.....	.....	.....
No	.01	.00½	Premier Border	.....	.00½	.....	.....	.....
No	.28	.08	Reeves McDonald	300	.08	.08	.08	.08
1	.52	.21½	Reno Gold	11,160	.44	.47	.43½	.46
1	.05	.02½	Ruth Hope	.....	.02½	.....	.....	.....
1	.03½	.02½	Silverado	.....	.03½	.....	.....	.....
25c	.02	.01	Silver Crest	.....	.01	.....	.....	.....
50c	.01½	.00½	Snowflake	.....	.00½	.....	.....	.....
20c	.02½	.01	Wellington	.....	.01	.....	.....	.....
1	.04	.01	Whitewater	1,300	.01	.00½	.00½	.00½
No	.00¾	.00½	Woodbine	.....	.00	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Ajax Oil	3c.		Noranda	50c.	3.75
Cons. Smelters	$2.50+a	7.69	Petrol Oil	1c.	....
Dome Mines	$1+20c.	11.16	Premier	12c.	....
Hollinger	65c.	14.13	Pioneer, B.C.	12c.	3.42
Howe Sound	$1	......	Royalite	50c.	....
Lake Shore	$2+50c.	9.61	Siscoe	4c.	....
McIntyre	$1	6.06	Sylvanite	4+½c.	....
McLeod Oils	5c.	....	Teck Hughes	60c.	18.01
			Wright-Har.	10+2½c.	5.31

a. Stock bonus 1 share for each 20 shares held.



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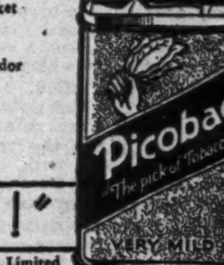

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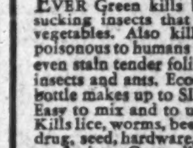

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Canadian Mining News

McCARTHY WEBB ANNOUNCES PLANS FOR REFINANCING

Legal Difficulties Settled and Deed Secured to Property

Following a meeting of shareholders of McCarthy-Webb-Goudreau Mines, held in Toronto June 1, directors have been formulating plans that will permit of the refinancing of the company.

The legal complications surrounding the company's property have been settled out of court and a deed secured to the property which consists of 360 acres of patented claims in Ontario, three miles east of Goudreau Station on the Algoma Central Railway.

The original vendors of the property, McCarthy and Webb, have taken back a first mortgage on the property from the company for $5,000, due in June, 1933. Present plans of the company call for the shareholders making advances in the form of a loan bearing 7 per cent interest to pay off the mortgage and provide funds for development work. Out of the original capitalization of $3,000,000 in $1 par value shares approximately 600,000 remain in the treasury.

The development of the property has been held up for several years owing to the legal controversy that has been waging. When the present company acquired the property from the vendors, McCarthy and Webb, $50,000 was to be paid over in addition to 2,000,000 shares of the authorized capitalization. The stock was paid to the vendors and $45,500 in cash, but upon default of the remaining $4,500 the vendors negotiated a deal with the Consolidated Mining and Smelting Co. whereby this company was to pay $250,000 for the property. An initial payment of $5,000 was made to the original vendors, but legal complications forced Consolidated Smelters to discontinue activities with the vendors retaining the initial payment of $5,000, which the vendors claim was retained as a commission for their activities. The directors now believe the way is paved for the long deferred development of the property.

HOLLINGER BONUS OF 5C PER SHARE PRESAGES ANOTHER

Mid-year Bonus Declaration Brings Rate to 70 Cents Annually

The regular dividend of Hollinger Consolidated Mines of five cents a share, payable July 14 to shareholders of record June 30, was sweetened by a bonus of a like amount. This brings the current dividend rate to 70 cents per share annually, the same as paid for the past two years, but the paying of the bonus in mid-year instead of at the end of the fiscal year, as formerly, lends hope that a similar bonus will be declared with the final dividend disbursement for the year.

The regular rate of 65 cents per share, plus the bonus of five cents per share, means disbursement of $3,444,000 annually. A bonus of five cents per share gives an additional $246,000.

This disbursement brings the total dividends paid by the company, since they were inaugurated in 1912, to $60,198,400 and by far leads all the dividend-paying gold properties in the Dominion. This disbursement is equivalent to $12.25 per share on the present capitalization outstanding.

B.C. Mines Department Makes Annual Report

The annual report of the Minister of Mines of British Columbia for the year ended December 31, 1931, just published, gives a most comprehensive review of mining activities in the province.

As has characterized previous annual reports, this copy is voluminous in nature and deals in detail with respective mining operations in the province. Not only are all the leading prospects and mines covered, but there is an extensive statistical summary.

A unique feature of the operations of the Department of Mines of British Columbia is the establishing of mining divisions with sub-offices throughout the province, each in charge of a commissioner. There are forty-one main mining divisions with numerous sub-offices which permit of an exhaustive report on mining operations in the province.

The bulletin is profusely illustrated with photographs of mining operations throughout the province and with maps and sketches of underground workings.

A copy of the bulletin is available by application to the department, Victoria, B.C.

Macassa Mines Nearing End of Shaft Sinking Programme

Macassa Mines is nearing the completion of its immediate shaft-sinking programme with operations currently around a depth of 2,250 ft. The immediate objective is 2,475 ft., below which a sump will be cut and officials state that this work is planned for completion before the end of July.

Simultaneously with the shaft-sinking programme a drift from the 2,475-ft. horizon of the adjoining Kirkland Lake Gold Mines property continues westward and the face is currently in about 2,200 ft. This drift has a further 300 ft. to go before reaching the proximity of the shaft bottom. The present schedule calls for completion of the present drifting contact by the time the shaft-sinking operations are completed. Immediately the shaft is completed raises will be put up from the 2,475-ft. horizon to prove up the ore encountered in the drift. Future work is directed at exploring the western section of the property by drifting on the vein some place between the 1,000 and bottom level.

The lenses of ore showing in the drift total in the aggregate an interesting length of ore which, if proven by subsequent development on the upper levels, will make an impressive block of ore in this, Kirkland Lake's most westerly and most recent mine development.

Canada's 1932 Gold Output Estimated at $63,000,000

Preliminary Survey Promises An Increase of 13 Per Cent as Compared With 28 Per Cent in 1931—$100,000,000 By 1940

Despite the fact that United States and France are the two principal remaining countries whose currency is strictly on a gold standard basis, there has been no manifestation by the Canadian gold producers of concern lest gold would become only a commodity with a depreciated value, and Canada's gold producers continue to expand their operations.

Early in 1931 The Financial Post made a survey of the various gold producers of the Dominion and estimated that the 1931 gold production for the whole of Canada would be $56,000,000. How close this was to the actual figures is shown by the accompanying table where the official figures are given as $55,715,120.

A close study of the present and prospective gold producers prompts another forecast for the 1932 output, now estimated at $63,000,000. As in 1931, Ontario will account for the principal amount of the increase, with Quebec showing a substantial gain as well.

While 1932 does not promise to show the big advance in gold production that 1931 showed, yet the increase is approaching a stabilized point that can doubtless be well maintained. In 1931 the gold output for the Dominion was approximately 28 per cent over that of the previous year, while 1932 promises to show about a 13 per cent increase over 1931 figures.

That the Dominion is well on the way to an annual production of $100,000,000 in gold annually is evident. This would mean an average increase annually for the next eight years of 7½ per cent. In view of the fact that the production was increased 28 per cent last year and 13 per cent is forecast for this year, an annual objective of $100,000,000 by 1940 does not seem improbable.

The following is an estimate for 1932 as compared with actual production in 1931:

Gold Production Estimate
Canada's Principal Gold Mines
(Exchange Compensation Extra)

	1931 Official $	1932 Estimated $
Alberta		
Miscellaneous	4,031	25,000
British Columbia		
Bralorne (new)	......	250,000
Premier	1,700,000*	1,600,000
Pioneer	600,000*	1,000,000
Placer deposits	291,845	500,000
Base metal and miscellaneous	727,928	500,000
	3,319,773	3,850,000
Manitoba		
Central Manitoba	485,000*	500,000
Cryderman (new)	......	20,000
San Antonio (new)	......	250,000
Base metal and miscellaneous	1,643,558	1,600,000
	2,128,558	2,370,000
Nova Scotia		
Miscellaneous	9,509	10,000
Ontario		
Ashley (new)	......	70,000
Ankerite (new)	......	125,000
Barry Hollinger	224,271	200,000
Coniaurum	749,929	900,000
Dome	3,507,712	4,000,000
Hayden (new)	......	60,000
Hollinger	10,069,733	10,000,000
Howey	862,066	1,300,000
Kirkland Lake Gold	585,321	600,000
Lake Shore	11,033,728	13,000,000
March (closed)	217,340	75,000
Minto	72,792	150,000
Moss (new)	......	150,000
McIntyre	4,742,395	5,600,000
Parkhill	68,742	140,000
Sylvanite	897,914	950,000
Teck Hughes	6,086,234	6,000,000
Toburn (new)	......	150,000
Vipond	563,021	480,000
Wright-Hargreaves	2,904,815	3,500,000
Base metal and miscellaneous	531,671	595,000
	43,117,684	48,055,000
Quebec		
Granada	250,000*	350,000
Noranda	5,100,000*	6,100,000
O'Brien (new)	......	100,000
Siscoe	742,812*	1,000,000
Miscellaneous	126,867	150,000
	6,219,679	7,700,000
Yukon		
Miscellaneous	915,886	1,000,000
Grand total for Canada	55,715,120	63,000,000

*Estimated.

SMELTERS PASSES ITS DIVIDEND DUE NORMALLY JULY 15

Earnings Show Surplus Before Write Offs and Metal Stocks Lower

Directors of the Consolidated Mining & Smelting Co. have deferred the half-yearly dividends normally due July 15.

With a deficit of $800,000 from last year's operations the news of the dividends being passed was not unexpected although the shares of the company declined 4½ points in the market on the announcement.

An official statement estimates the earnings for the first six months of this year as showing a moderate surplus over operating expenses before write-offs, with metal stocks lower than at the first of the year.

AJAX GAS DECLARES SECOND 3C DIVIDEND

Deficit From Last Year's Operations Leaves Future Uncertain

Shareholders of Ajax Oil & Gas Co. are in receipt of a notice that the second regular quarterly dividend of three cents per share has been declared payable July 15 to shareholders of record June 30. This calls for the disbursing of approximately $30,000 or $60,000 for the year to date.

Welcome as the dividend is to shareholders it has left many questioning as to whether it can be maintained as last year's earnings did not indicate a dividend as being possible.

In the fiscal year ended December 31, 1931, there was a deficit from operations after write-offs of $46,990. At the same date the working capital of the company was shown at $20,037. The company's revenue was understood to be chiefly from its subsidiary, the Chatham Oil Co., operating principally in the Oklahoma City field. In addition, the company has revenue from close to 30 gas wells in Southwestern Ontario, which during the summer season have a curtailed flow owing to the reduced marketability of the gas.

San Antonio's Mill Making Good Showing

San Antonio's new 150-ton daily capacity mill is giving a good account of itself, Noah Timmins told The Financial Post. The absorption, that is, the gold locked up in a new mill of this type, is close to $50,000 and quite naturally the recovery of the first few weeks is not representative of what the output will be.

Good progress is being made with the opening up of the lower levels of the mine, said Mr. Timmins, and they are looking particularly well.

HOWEY GOLD DRILLS RED LAKE CENTRE

Examination Continues Pending Taking An Option to Purchase For $250,000

Red Lake Centre Mines owning several groups of claims in the Red Lake area, one a group of seven claims adjoining Howey Gold Mines on the north, is receiving preliminary development work in the hands of the latter company.

Recently Howey has done some diamond drilling preliminary to taking an option on the property. An extension of time has been given to Howey in order to enable it to do some further drilling and surface work before reaching a decision on the option arrangements. Under the terms of the option Howey is committed to a payment of $250,000 for the claims, to be spread over a period of years. Whether or not the option will be entered into is dependent upon the further exploration work now to be conducted.

Metal Prices

New York—June 21—
Copper: Electrolytic spot, 5½c. lb.
London—June 21—
(Long Ton)—
Copper: Electrolytic spot, £31 10s; future, £32 10s.
Standard spot, £27 15s; future, £27 10s.
Tin: Spot, £115; future, £117.
Lead: Spot, £9 12s 6d; future, £10.
Zinc: Spot, £11 10s; future, £11 15s.
Silver: 17d. per ounce.

Canadian Mineral Production

Compiled by The Dominion Bureau of Statistics

	Silver	Lead	Zinc	Gypsum
April				
1932	1,645,094 oz.	21,624,442 lbs.	14,650,218 lbs.	23,087 tons
1931	1,685,842 oz.	29,037,271 lbs.	22,707,451 lbs.	32,576 tons
Four Mos. Ending April:				
1932	6,478,578 oz.	84,578,822 lbs.	59,151,289 lbs.	46,161 tons
1931	7,801,929 oz.	102,170,872 lbs.	86,872,594 lbs.	72,566 tons

TECK DIVIDEND SAFELY EARNED LAST QUARTER

Indications Are Earnings Close to 21 Cents Per Share Net

A conservative estimate, lacking official figures, is that Teck-Hughes Gold Mines earned close to 21 cents per share against dividend requirements of 15 cents per share in the fiscal quarter ended May 31 last.

That the company has been making a decided improvement in production the past few months is the accepted report in well-informed mining circles. Just what its production has been is a matter of conjecture but if the mill capacity of 1,300 tons daily was maintained the tonnage treated would be approximately 120,000 tons for the three months period. It is reported that the grade of ore treated has improved somewhat and it may be taken as a safe estimate that it is at least $1 per ton over the first three months of the present year or close to $13.25 per ton. This would indicate a recovery value, without premium, of about $1,600,000. To this may be added premium or exchange compensation of $160,000 or a total income of $1,760,000. Assuming operating costs, taxes and write-offs for depreciation equivalent to the average for the preceding quarters, a net profit of approximately $1,000,000 could be expected for the three months period, or 21 cents per share on the outstanding capitalization.

Minewise there is little news forthcoming, but it is understood that the principal ore treated comes from levels above the 2,000 ft. horizon. Below this horizon the ore treated is principally from development work. The fact that development work at depth is being carried so far in advance of mining is said to be on account of the scare the management received last year when the lean 26, 27 and 28 levels were encountered. In connection with these lean levels it is interesting to note that recent further development work is said to have given a more hopeful outlook and that ultimately a fair tonnage of ore may result on these horizons.

MALARTIC'S FUTURE UNDER DISCUSSION

Directors' Meeting Called For June 29 to Discuss Financial Plan

A meeting of directors of Malartic Gold Mines is planned for June 29 to give consideration to the company's financial welfare. The company is directed by a group closely associated with the Lindsley enterprises and operations at the property have been suspended since August, 1929, owing to an adverse report made on the property and the failure to consummate a deal for necessary finances.

Ever since the property closed down many usually well informed mining men have held the belief that well directed efforts would show the property as having mine-making possibilities in spite of the adverse report referred to.

The company became financially involved, however, and this liability was assumed by Sudbury Basin Mines, allied with the Lindsley interests. In the annual report of Sudbury Basin Mines for the year ended December 31, 1931, the advances to Malartic were shown at $59,406. This is a first claim against the property.

The directors have made no recent announcement regarding their plans, but it is understood that a New York group has become interested in the company's new financial set-up.

CANUSA MINING TO REORGANIZE

To Form New Company and Exchange Shares Three for One

Shareholders of Canusa Mining & Exploration Co. are in receipt of an announcement calling a meeting of the company for June 24, in Toronto, for the purpose of ratifying a reorganization of the company.

The plan calls for changing the name and selling all the assets of the company to Canusa Gold Mines Ltd. also reducing the capitalization to $1,500,000 in $1 par value shares. The capitalization of the present company is $3,000,000 of which $2,200,000 is outstanding and these shares are to be converted into shares of the old on the basis of one new for three old.

The present company has been endeavoring to finance its property in the Porcupine area to production since incorporation in 1928, but has met grief in various forms. Last year a pilot mill was started, which operated to last December, but due to the company's financial position was forced to close down. The liabilities of the present company are said by its president, George J. Miller, to be less than $25,000. Finances were arranged early this spring in the United States but the deal was hampered by an opposing group.

Now a well known financier of Detroit has agreed to furnish the company with funds to the point where the potentialities of the property will be definitely known, in consideraion of commanding control of the company. About 740,000 shares of the new company will go to the old shareholders and 760,000 shares will remain in the treasury to finance the property.

Bridge River Consolidated Discusses New Arrangement

At the annual meeting of Bridge River Consolidated Mines held in Vancouver on June 6, details of the new financial arrangement were announced.

Under terms of agreement entered into with Victor Spencer and associates, $180,000 is to be spent on the development of the property and provision is also made for the construction of a mill costing an additional $100,000 in consideration of 60 per cent interest or 1800 shares of the company's authorized capitalization.

The company owns four Crown-granted claims and 16 adjoining claims on Cadwallader Creek in the Bridge River mining division, B.C.

O'Brien Cadillac Mill Producing By August

Speedy progress is being made at the O'Brien Cadillac property, according to advice from Amos. The 100-ton daily capacity mill is under erection and it is expected that by August 1 it will be in the process of being tuned up. Already 20,000 tons of ore are on the dump, which is estimated to average close to $20 per ton in gold. This will furnish initial mill feed.

Huge Assets Behind International Nickel

Common Shares Have Equity in Physical Assets of the Company Equivalent to $8.20 Per Share While Possible Profit in Ore Reserves is $175 Per Share

Whether or not common shares of International Nickel are worth the current price of $4.75 is a question that is often debated. The Financial Post's analysis shows that the investor, while next getting a yield on his investment at the present time, has an equity in physical assets behind his investment after the preferred shares and the bonds have been eliminated, of $8.20 per share and a possible profit in the proven ore reserves of $175 per share or a total of $183.20 per common share.

While it is true that the salvage value of the physical assets represented by the plant assets would not likely bring such a figure there is in these days of depressed prices, when some of the market leaders are selling at heretofore unheard prices, a note of reassurance when a survey is made of some of the tangible assets represented.

International Nickel without doubt takes first place among Canada's mining securities for popularity and widespread distribution and the fact that the common shares are no longer carrying dividends is a poor yardstick to measure their worth. At no time since the merger of the Mond Nickel Co. and the International Nickel Co. in late 1928 have the shares of the company sold on a basis of earnings. It has been a characteristic of the stock that it has sold on its potentialities rather than on existing dividends and earnings. At the time the stock reached its peak of $73 per share in 1929 the annual dividend rate was 90 cents per share giving a yield of about 1¼ per cent. It was quite obvious, then, with such a low yield that the market value of the stock was in anticipation of something more than immediate earnings.

$73 Not Too High—Then

There are shareholders who now regard these boom prices as a rank absurdity, but close students of International Nickel who are familiar with the plant facilities, costs and magnitude of its operations, even calculate possible earnings of 10 per cent on the peak price of $73 that the common shares reached. At that time the demand for nickel and the company's alloy products was well in advance of plant capacity and the company was first forced to draw on its inventories to supply the market. Copper, also, was at peak prices, but taking the normal price of from 12 to 15 cents per pound for copper and a demand for the company's nickel and alloy products utilizing its full production and plant facilities existing today, earnings justifying this peak price appeared well within the bounds of possibility. They overlooked, of course, the elements of inflation in the general business situation which have resulted almost in profitless operation for this company.

The chief factor that governs the utilization of the company's full plant facilities is an improvement in the general economic situation. There is nothing peculiar to the company's operations that would prevent it enjoying the full fruits of returned prosperity, on the other hand the increased diversification in the application and use of the company's products would without doubt place it in a position to stage more than a normal comeback as conditions improve. In the first place it is fortified as never before with resources, plant, smelter, refining and fabricating plants and facilities that will enable it to produce better products at lower costs.

The current working capital of the company, including inventories, is $26,003,757 to which can be added investment interest of the company of $7,188,790. These assets total $33,192,544 and just about offset the $35,913,227 represented by the capital structure that takes precendence over the common share capitalization.

Are the common shares at current prices of around $4.75 a buy, is the oft repeated question. Quite obviously with no dividends being paid and none in sight in the immediate future, on the basis of earnings they are discounting the future even at this price. The book value of the common shares, based on the company's consolidated balance sheet, as of March 31, 1932, amounts to $9.50 per share. This is arrived at by taking total assets of $182,000,000 and deducting the current liabilities, funded debts and preferred stock totalling $44,000,000, leaving $138,000,000 applicable to the 14,584,025 common shares outstanding.

Physical Assets $8.20 Share

Satisfactory as this may seem for the book value of the shares it by no means represents the assets behind the common shares and in order to arrive at approximately their value it is necessary to go back to the respective companies, International Nickel and Mond, before the merger in 1929. At that time the physical assets of the Mond Co. were shown at $5,771,983. At the same time the physical assets of International Nickel were shown at $76,272,530 or a gross book value for physical assets of the two companies of approximately $82,000,000. Since that time the capital expenditures have increased this figure by $38,000,000. Therefore, today the physical assets of the company, as represented by book values, without the Frood mine being taken into consideration, are close to $120,000,000 or equivalent to $8.20 per common share. Impressive as this may seem, it does not take into consideration any value for the ore bodies.

In a mining enterprise the ore reserves of the company form the backlog of operations and regardless of what value is represented in the physical equipment to work these ore bodies, it would have but little value without ore.

It becomes a difficult matter to attempt to place any fair value on the possible or potential profits represented by the company's ore reserves, but taking the profit in 1929 before the arbitrary write-off for reserves and dividing this by the total tonnage of ore treated gives a profit per ton of $12.40. This profit per ton, handsome as it may seem in view of current prices for copper, is fair and might easily be realized in future operations. The grade of ore treated in 1929 was admittedly of a much lower grade than the average existing in the Frood mine. It was likewise true that the price prevailing for copper at that time was at least three times higher than current prices. To offset these figures in making the following deductions it must be taken into consideration the fact that the mining and smelting costs per ton in those days were considerably higher than those promised by capacity operations in the future. Therefore for the lack of a more equitable figure the 1929 profits will be used in the following calculations.

Profit In Ore $175 Share

The published ore reserves of the company are in excess of 200,000,000 tons, of which 136,000,000 tons is represented by the rich Frood deposit, commonly recognized as being the world's richest mineral deposit. Taking the total tonnage and mutiplying it by the apparent profit per ton in 1929 one arrives at the stupendous potential profit represented by the ore reserves of $2,550,000,000 or equivalent to $175 per common share outstanding. This, added to the $8.20 per share, as represented by other physical assets, gives a value for the stock of 35 times the current market valuation. The year 1929 is taken because it was the first year of consolidation and in suceeding years there was not a good balance between production and sales.

What the future trend of the common shares will be is a matter of conjecture, but it is not seen as improbable if earnings do not improve that pressure of forced selling will drive them to still lower levels. The resistance that the shares have displayed to lower prices characterizes the esteem in which they are held.

Many investors will argue that investments with no earning power nor immediate signs of earning power are practically valueless. When a comparison of present market value for International Nickel is made with the peak prices of $73 per share it becomes evident they have in effect been relegated to this category.

With physical assets equivalent to $8.20 per share and potential profits in the ore reserves of $175 per share, shareholders of International Nickel can take some measure of comfort in the knowledge that their investments not only have tangible worth, but tangible worth in a great Canadian enterprise with a world monopoly that only awaits improved economic conditions that its resources and facilities may be unleashed to win for the investors their hopes for return.

WORK AT GALATEA IS UNINTERRUPTED

Big Zone of Low Grade Ore Develops as Surface Work Progresses

ROUYN.—Without much publicity and in face of the difficult period for financing new mining enterprises, the development of properties of Galatea Gold Mines Syndicate in the Duparquet gold area has continued without interruption.

Throughout the past winter a small surface crew was employed in putting trenches through low areas where such work could not be done in summer. As a result of this the company has made important progress in correlating the wide deposits heretofore found on the higher outcrops.

The shearing has a width of about 100 to 150 feet, carrying mineralization of varying value. Assays in a section seven to eleven feet in width along the north wall range from $6.50 to $12 per ton, while a very large tonnage over the main width carries around $3 per ton.

It is well determined on Galatea that a very large tonnage of low grade ore is in sight and as measured by the low costs which outstanding authorities now estimate adds importance to the deposit. The property has a length of about 10,000 feet. The main zone of mineralization has been trenched and consistent mineralization disclosed at points approximately 5,000 feet apart along the zone.

While further trenching is under way, a number of test pits are being put down prior to arranging for a campaign of diamond drilling.

New Gold Bulletin Issued By Mines Branch

The Geological Survey of the Department of Mines, Ottawa, has just published a most interesting survey of the gold occurrences in Canada, known as "Economic Geology Series, No. 10." The bulletin was edited by H. G. Cooke and W. A. Johnston of the Geological Survey staff. It is a detailed report on gold in Canada, dealing with the history from the earliest discoveries and following down through the decades, describing the different lode deposits in the Dominion. The summary is designed to serve two main purposes—to afford prospectors whatever guidance geology can give in the intelligent search for new supplies of gold, and to afford those interested in gold production a knowledge of its history, present situation and opportunities of the industry in this country.

Copies of the publication may be had by application to the department at Ottawa.

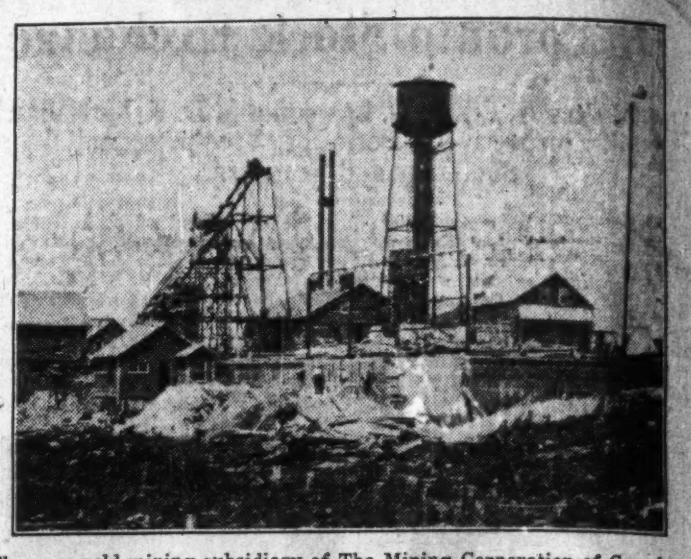
Sherritt-Gordon Mines On Caretaking Basis

Advice from Sherridon, the Northern Manitoba site of Sherritt-Gordon Mines, says that already residents are beginning to drift out of the twin towns of Cold Lake and Sherridon, following the suspension of operations at the mine.

The railway schedule has been changed and only one train a week will go between Sherridon and The Pas instead of the two as under the old schedule.

At the mine, pumps will be kept running freeing the mine of water and a staff of about 20 men will be maintained about the premises.

Ashley Mill Takes Form



The new gold mining subsidiary of The Mining Corporation of Canada, the Ashley Gold Mining Corp., has its 150-ton mill well under construction with operations planned to start this fall. As will be seen from this photograph steel construction predominates, thus giving an air of permanency to the pioneer gold producer in the Matachewan area of Ontario.

SOURDOUGH CLAIMS AWAIT ASHLEY WORK

Report Shows Syndicate Has $612 Cash After Season's Work

A report to the unit-holders of Sourdough Mining Syndicate, formed in 1930 by Toronto mining men to stake and prospect in the Matachewan area, shows that to April 18, 1932, the syndicate expended $4,221 on its activities and has $612 in cash remaining in the bank.

The company's holdings include seven claims in Argyle township, northwest of the Ashley Gold Mine, and 11 claims in Bannockburn township, immediately south of the Ashley Gold Mine. On the adjoining claims exploration work disclosed a small quartz vein six to eight inches wide containing visible gold which was traced to the boundary of the Sourdough northerly claims, but aside from this nothing of importance was found.

On the southerly group, which lies on the line of strike of the Ashley vein, the contour of the north line suggests the possibility of the continuation of the Ashley break. During the past winter an option was given to the International Mining Corp., of New York, for three-quarter interest in the southerly claims. Here 1,000 ft. of diamond drilling was completed. In hole No. 3 a mineralized quartz vein 18 inches wide was encountered at a depth of 300 ft. The vein is similar to the gold-bearing quartz in the Ashley, but an assay showed but 40 cents per ton in gold. Sufficient work has been done to patent this group of claims and it is proposed to await developments on the adjoining Ashley property.

An interest was also purchased for $560 in the Peter McDonough Oldtimer Prospecting Syndicate.

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